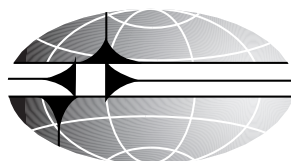

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 adviser.

If you have sold or transferred all your shares in **Shenzhen Expressway Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

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深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

**SPECIFIC MANDATE FOR PROPOSED ISSUANCE OF A SHARE
CONVERTIBLE BONDS
RESUME OF THE CANDIDATES AND PROPOSED REMUNERATION OF THE
EIGHTH SESSION OF THE BOARD OF DIRECTORS AND THE EIGHTH
SESSION OF THE SUPERVISORY COMMITTEE
NOTICE OF EGM
AND
NOTICE OF CLASS MEETINGS**

The first extraordinary general meeting 2017 (“EGM”), the second class meeting 2017 of holders of A shares (“ACM”), the second class meeting 2017 of holders of H shares (“HCM”) of Shenzhen Expressway Company Limited (“Company”) are to be held consecutively at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC at 9 a.m. on Thursday, 28 December 2017. An extract of the notices of the EGM and the HCM dated 13 November 2017 are set out on pages 65 to 72 of this circular. The notices of the EGM and the HCM, the reply slips and the proxy forms for the EGM and the HCM have been published and despatched to the shareholders of the Company on 13 November 2017.

Whether or not you intend to attend the said meetings, you are requested to complete the proxy forms in accordance with the instructions printed thereon and return the same to the registrar of H shares of the Company, Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the holders of H shares) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China (for the holders of A shares) as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meetings. Completion and return of the proxy forms will not preclude you from attending and voting in person at the relevant meetings or any adjourned meeting(s) should you so wish.

13 December 2017

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DEFINITIONS

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

| | |
|------------------------|--|
| “Articles” | the articles of association of the Company (as amended from time to time) |
| “A Share(s)” | Renminbi-denominated ordinary shares of the Company which were issued in the PRC and subscribed in RMB and are listed on the Shanghai Stock Exchange |
| “ACM” | the second class meeting 2017 of the Holders of A Shares of the Company to be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC, on Thursday, 28 December 2017 after 9 a.m. (immediately after the conclusion of the EGM), or any adjournment thereof |
| “A Share CB” | A Share CB in the total amount of not more than RMB2.2 billion (inclusive of RMB2.2 billion) which are convertible into new A Shares, proposed to be issued by the Company in the PRC |
| “A Share CB Holder(s)” | holder(s) of the A Shares CB to be issued by the Company |
| “Board” | the board of Directors |
| “Class Meetings” | A Share Class Meeting and the H Share Class Meeting |
| “CMET” | China Merchants Expressway Network & Technology Holdings Co., Ltd. |
| “Company” | Shenzhen Expressway Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange |
| “CSRC” | China Securities Regulatory Commission |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the first extraordinary general meeting 2017 of the Company to be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC, on Thursday, 28 December 2017 at 9 a.m., or any adjournment thereof |
| “GDRB” | Guangdong Development of Road and Bridge Limited |

DEFINITIONS

| | |
|---------------------------|--|
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “H Share(s)” | Overseas-listed foreign shares of the Company which were issued in Hong Kong and subscribed in HK\$ and are listed on the Stock Exchange |
| “HCM” | the Second class meeting 2017 of the Holders of H Shares of the Company to be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC, on Thursday, 28 December 2017 after 9 a.m. (immediately after the conclusion of the ACM), or any adjournment thereof |
| “Independent Directors” | independent non-executive Directors |
| “Latest Practicable Date” | 8 December 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SGH Company” | Shenzhen Shen Guang Hui Highway Development Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Share(s)” | share(s) of the Company, including A Share(s) and H Share(s), unless specified otherwise |
| “Shenzhen International” | Shenzhen International Holdings Limited |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Specific Mandate” | the specific mandate in relation to the issuance of the A Share CB to be considered and approved at the EGM and the Class Meetings |
| “SSE” | Shanghai Stock Exchange |
| “Supervisor(s)” | the supervisor(s) of the Company |

DEFINITIONS

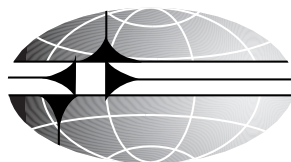
“Supervisory Committee” the supervisory committee of the Company

“XTC Company” Xin Tong Chan Development (Shenzhen) Company Limited

Notes:

In this circular, certain English names of Chinese entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

LETTER FROM THE BOARD



深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

Executive Directors:

Mr. HU Wei (*Chairman*)
Mr. WU Ya De (*President*)
Mr. WANG Zeng Jin
Mr. LIAO Xiang Wen

Legal Address:

Fumin Toll Station,
Fucheng Street,
Longhua District,
Shenzhen, PRC

Non-executive Directors:

Mr. ZHAO Jun Rong
Mr. TSE Yat Hong
Mr. LIU Ji
Mr. CHEN Yuan Jun

Place of Business in PRC:

Podium Levels 2-4,
Jiangsu Building,
Yitian Road,
Futian District,
Shenzhen, PRC

Independent Non-executive Directors:

Mr. AU Sing Kun
Mr. LIN Chu Chang
Mr. HU Chun Yuan
Mr. CAI Shu Guang

Principal Place of Business

in Hong Kong:
Room 1603, 16/F,
China Building,
29 Queen's Road Central,
Central, Hong Kong

13 December 2017

To the Shareholders

Dear Sirs or Madams,

**SPECIFIC MANDATE FOR PROPOSED ISSUANCE OF A SHARE
CONVERTIBLE BONDS
RESUME OF THE CANDIDATES AND PROPOSED REMUNERATION OF THE
EIGHTH SESSION OF THE BOARD OF DIRECTORS AND THE EIGHTH
SESSION OF THE SUPERVISORY COMMITTEE
NOTICE OF EGM
AND
NOTICE OF CLASS MEETINGS**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcements of the Company dated 9 November 2017 in relation to the proposed issuance of the A Share CB and the candidates of the Board and the Supervisory Committee.

The purpose of this circular is to provide you with (i) further details of the proposed issuance of the A Share CB; (ii) resume of the candidates and proposed remuneration of the Board and the Supervisory Committee; and (iii) other information required under the Listing Rules.

SPECIFIC MANDATE FOR PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BONDS

On 9 November 2017, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the proposal for issuance of A share CB under specific mandate at the EGM and Class Meetings by way of separated special resolutions, respectively.

The special mandate and the proposal for issuance of A share CB shall be approved by the Shareholders at the EGM and Class Meetings. The principal terms of the proposed issuance of the A Shares CB are as follows:

(i) Type of securities to be issued

The type of securities to be issued by the Company are the A Share CB. The A Share CB and the A Shares to be converted therefrom will be listed on the SSE.

(ii) Issue size

Pursuant to the relevant laws and regulations and in line with the Company's financial status and investment plans, the total amount of the A Share CB proposed to be issued will be not more than RMB2.2 billion (inclusive of RMB2.2 billion). The actual size of the issuance shall be determined by the Board or its authorized person(s) within the above range, subject to the authorization by the Shareholders at the EGM and the Class Meetings.

(iii) Par value and issue price

The A Share CB will be issued at par with a nominal value of RMB100 each.

(iv) Term of bond

The term of the A Share CB will be six years from the date of issuance.

Pursuant to the Measures for the Administration of Securities Issuance by Listed Companies (上市公司證券發行管理辦法) promulgated by China Securities Regulatory Commission, the maximum term of A share convertible bonds is six years. In line with the implementation schedule of the projects to be invested by the Company with the proceeds from the issue of the A Share CB, the scale of the issuance and the future operation and financial status of the Company, the term of the A Share CB is fixed for six years from the date of issuance.

LETTER FROM THE BOARD

(v) **Interest rate of bond**

The manner of determining the interest rate of the A Share CB and the final interest rate of each interest accrual year shall be determined by the Board or its authorised person(s) after negotiation with the sponsor institution (the lead underwriter) in accordance with the PRC policies, market conditions and the actual conditions of the Company prior to the issuance of the A Share CB, according to the authorization by the Shareholders at the EGM and the Class Meetings.

(vi) **Method and timing of interest payment**

Interest of the proposed A Share CB will be paid once annually, while the principal will be repaid and the interest for the last year will be paid upon maturity of the A Share CB.

1. Calculation of the annual interest

The interest for an interest rate year (“**annual interest**”) means the interest accrued to the A Share CB Holders in each year on each anniversary of the date of issuance of the A Share CB, calculated based on the aggregate nominal value of the A Share CB.

The formula for calculating the annual interest is: $I = B \times i$

I: denotes the annual interest;

B: denotes the aggregate nominal value of the A Share CB held by a A Share CB Holder as at the record date for interest payment in an interest accrual year (“**that year**” or “**each year**”);

i: denotes the interest rate of the A Share CB of that year.

2. Method of Interest Payment

(1) Interest of the A Share CB will be paid once annually, accruing from the date of issuance of the A Share CB.

(2) Interest payment date: The interest is payable annually on each anniversary of the date of issuance of the A Share CB. If such day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the next working day thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date will be an interest accrual year.

Matters in relation to the interest and dividend entitlement during the year of conversion shall be determined by the Board in accordance with relevant laws, rules and regulations of the SSE.

(3) Record date for interest payment rights: The record date for interest payment rights in each year will be the last trading day preceding the interest payment date. The Company will pay the interest accrued in that year within five trading days from the interest payment date. The

LETTER FROM THE BOARD

Company will not pay any interest for that year and subsequent interest accrual years to the A Share CB Holders whose A Share CB have been applied to be converted into the A Shares on or before the record date for interest payment rights.

- (4) Tax payable on the interest income of a A Share CB Holder shall be borne by such A Share CB Holder.

(vii) Conversion period

The conversion period of the A Share CB commences on the first trading day immediately following the expiry of the six-month period after the date of issuance of the A Share CB and ends on the maturity date of the A Share CB.

(viii) Determination of the number of conversion shares

When a A Share CB Holder applies to convert the A Share CB during the conversion period, the formula for calculating number of the shares to be issued upon conversion is $Q=V/P$, whereby any fractional Share shall be rounded down to the nearest whole number. In the aforesaid formula:

V: denotes the aggregate nominal value of the A Share CB in respect of which the A Share CB Holder apply for conversion;

P: denotes the prevailing Conversion Price as at the date of application for conversion.

The number of Shares applied to be converted by an A Share CB Holder must be in whole number. Within five trading days from the conversion of the A Share CB by the A Share CB Holders, the Company will pay the A Share CB Holders in cash an amount equal to the nominal value of the remaining balance of such A Share CB which are insufficient to be converted into one A Share and the interest accrued on such balance in accordance with the relevant requirements of the SSE, securities registration authorities, etc. The corresponding amount of the interest accrued to the nominal value of the remaining balance of such A Share CB which are insufficient to be converted into one A Share (calculated pursuant to the formula set out in “(xii) Terms of Redemption”) will be paid in accordance with the requirements of the securities registration authorities.

(ix) Determination of the conversion price

The initial Conversion Price of the A Share CB shall not be lower than the higher of the average trading prices of A Shares of the Company for the 20 trading days preceding the publication date of the offering document of the A Share CB (in the event that the price has been adjusted due to ex-rights or ex-dividend during such 20 trading days, the average trading price of each of these trading days before adjustment shall be adjusted with reference to the ex-rights or ex-dividend share price) and the average trading price of A Shares of the Company on the trading day preceding the publication date of the offering document of the A Share CB. The actual initial Conversion Price shall be determined by the Board or its authorized person(s) after discussion and agreement with the sponsor institution (the lead underwriter) with reference to the market conditions, according to the authorization at the EGM and the Class Meetings.

LETTER FROM THE BOARD

(x) Adjustment to the conversion price

Upon issue of the A Share CB, where there is distribution of scrip dividend, capitalization issue, issuance of new Shares, rights issue or distribution of cash dividend by the Company (excluding any increase in the share capital as a result of conversion of the A Share CB), the Company will adjust the Conversion Price in accordance with the following formulas (the adjusted value shall be rounded off to two decimal places):

Distribution of scrip dividend or capitalization issue: $P_1 = P_0 / (1+n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) / (1+k)$;

If the two items above implemented simultaneously: $P_1 = (P_0 + A \times k) / (1+n+k)$;

Distribution of cash dividend: $P_1 = P_0 - D$;

If the three items above implemented simultaneously: $P_1 = (P_0 - D + A \times k) / (1+n+k)$

Where P_0 is the Conversion Price before adjustments, n is the ratio of the scrip dividend or capitalization; k is the ratio of issuance of new Shares or rights issue; A is the price of issuance of new Shares or rights issue; D is the cash dividend per share and P_1 is the adjusted Conversion Price.

Where the abovementioned changes in the Company's equity interests occur, the Conversion Price will be adjusted accordingly and an announcement will be published on the media designated by the CSRC for disclosing information of listed companies. The announcement will indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of Share conversion (if necessary). If the date of adjustment to the Conversion Price takes place on or after the A Share CB Holder's application for conversion, and before the share registration date, then such conversion will be based on the Conversion Price adjusted by the Company. In the event that the rights and benefits of the A Share CB Holders derived from the issuance are affected by the change in the Company's share class, quantity and/or Shareholders' interest due to the possible share repurchase, consolidation, subdivision or any other circumstances which may occur, the Company will adjust the Conversion Price based on the actual situation and in accordance with the principles of fairness, justice, equality and full protection of the A Share CB Holders' interests. The Conversion Price will be adjusted based on the relevant PRC laws and regulations and the relevant provisions of the securities regulatory authorities of that time.

(xi) Downward adjustment to the conversion price

1. Adjustment authorization and permitted adjustment magnitude

The Conversion Price may be subject to downward adjustments if, during the term of the A Share CB, the closing prices of the A Shares in 15 trading days out of any 30 consecutive trading days are lower than 90% of the prevailing Conversion Price. The Board may propose any such adjustments for the Shareholders to consider and seek their approval at a general meeting and the A/H Shares class meetings.

LETTER FROM THE BOARD

The above-mentioned proposal is subject to approval of more than two-thirds of the participating Shareholders with voting rights present at the general meeting and the class meetings. Shareholders holding the A Share CB should abstain from voting at the general meeting and the class meetings. The adjusted Conversion Price shall not be lower than the higher of the average trading price of A Shares of the Company for the 20 trading days preceding the aforementioned general meeting and class meetings, the average trading price of A Shares of the Company for the trading day immediately before the aforesaid general meeting and class meetings. Besides, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value per Share. In the event that another adjustment of Conversion Price has been implemented in the aforementioned 20 trading days, the Conversion Price and closing price of Shares will be calculated on an unadjusted basis during the trading days prior to adjustment, while the adjusted Conversion Price and closing price of Shares will be adopted during the trading days on which the adjustment was made or the trading day afterwards.

2. *Procedure of adjustment*

If the general meeting and class meetings of the Company resolve to make a downward adjustment to the Conversion Price, the Company will publish an announcement in relation to the relevant resolutions on the media designated by the CSRC for disclosing information of listed companies. The announcement will disclose the magnitude of the adjustment, the registration date of the Shares, the suspension period of share conversion. Share conversion will be restored for application based on the adjusted Conversion Price on the first trading day after the registration date (i.e. the effective date of the adjustment to the Conversion Price). If the adjustment date is on or after the share conversion application date and prior to the registration date, the share conversion application should be executed based on the price after the adjustment.

(xii) *Terms of redemption*

1. *Terms of redemption at maturity*

Within five trading days after the maturity of the A Share CB, the Company will redeem all the A Share CB which have not been converted into Shares from the A Share CB Holders at the price being fixed at the face value or a certain proportion higher than the face value of the A Share CB (including annual interest accrued for the latest period). The actual redemption price shall be determined by the Board or its authorized person(s) after discussion and agreement with the sponsor institution (the lead underwriter) according to the authorization at the EGM and the Class Meetings with reference to the market conditions prior to the issuance.

2. *Terms of conditional redemption*

During the term of the A Share CB, if the closing price of the A Shares of the Company is equal to or not lower than 130% of the prevailing Conversion Price in at least 15 trading days out of any 30 consecutive trading days, or when the balance of the outstanding A Share CB issued hereunder is less than RMB30 million, the Company has the right to redeem all or part of the A Share CB which have not been converted into Shares based on the par value plus the accrued interest then. In the event that another adjustment of Conversion Price has been implemented in the aforementioned 30 trading days,

LETTER FROM THE BOARD

the Conversion Price and closing price of Shares will be calculated on an unadjusted basis during the trading days prior to adjustment, while the adjusted Conversion Price and closing price of Shares will be adopted during the trading days on which the adjustment was made or the trading day afterwards.

The redemption period and the conversion period of the A Share CB are the same, being the first trading day after six months from the date of issuance to the maturity date of the A Share CB.

Formula for calculating the accrued interest for the current period is: $IA=B \times i \times t / 365$

IA: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share CB held by the A Share CB Holder;

i: denotes the interest rate of the A Share CB for current year;

t: denotes the number of days on which interest is accrued, meaning the actual number of calendar days from the beginning of current year to the redemption date (excluding the redemption date).

(xiii) Terms of sell back

1. Terms of conditional sell back

Within 2 years prior to the maturity of the A Share CB, where the closing price of the Company's Share is lower than 70% of the then Conversion Price for 30 consecutive trading days, the A Share CB Holders are entitled to sell all or part of the A Share CB held by them back to the Company at the nominal value plus the interest accrued then.

In the event there is distribution of scrip dividend, capitalization issue, issuance of new Shares (excluding any increase in the share capital as a result of conversion of the A Share CB), rights issue or distribution of cash dividend during the aforementioned trading days, the Conversion Price and closing price of Shares will be calculated on an unadjusted basis during the trading days prior to adjustment, while the adjusted Conversion Price and closing price of Shares will be adopted during the trading days on which the adjustment was made or the trading day afterwards. If there is downward adjustment to the Conversion Price, then the aforementioned "30 consecutive trading days" shall be re-counted based on the adjusted Conversion Price from the first trading day after the downward adjustment to the Conversion Price (interest accrued for the current period will be calculated pursuant to the formula set out in "(xii) Terms of Redemption").

A Share CB Holders may exercise the right to sell back for once at the first time such requirements for sell back fulfilled for the year during the last two years. If the A Share CB Holders do not exercise their sell back rights during the sell back declaration period after requirements for sell back fulfilled for the first time, such A Share CB Holders cannot exercise their sell back rights during the current year.

LETTER FROM THE BOARD

2. *Additional terms of sell back*

If the actual usage of the proceeds from the issuance of the A Share CB by the Company differs from the undertaking of the use of proceeds set out by the Company in the offering document, and such difference is considered by the CSRC as a deviation in the use of the proceeds, the A Share CB Holders will have a one-off right to sell all or part of the A Share CB held by them back to the Company at the nominal value plus the interest accrued then. Under the said scenario, the A Share CB Holders may sell their A Share CB back to the Company during the sell back declaration period. If the A Share CB Holders do not exercise their sell back rights during the sell back declaration period, they cannot exercise such rights to sell back the A Share CB (interest accrued for the current period will be calculated pursuant to the formula set out in “(xii) Terms of Redemption”).

(xiv) Dividend rights of the conversion year

The new A Shares of the Company to be issued as a result of the conversion of the A Share CB shall rank pari passu with all the existing A Shares, and are entitled to dividend of that period for all Shareholders (including Shareholders derived from the conversion of the A Share CB) registered on the date of Share registration for dividend distribution.

(xv) Method of issuance and target investors

The actual method of the issuance of the A Share CB will be determined by the Board or its authorised person(s) with the sponsor institution (the lead underwriter), subject to the authorization at the EGM and the Class Meetings. The target investors of the A Share CB are natural persons, legal persons, securities investment funds and other investors that meet the conditions prescribed by the laws and who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those prohibited by the state laws and regulations).

(xvi) Subscription arrangement for existing a shareholders

The existing holders of A Shares of the Company shall have pre-emptive rights to subscribe for the A Share CB to be issued. The actual amount to be preferentially allocated to the existing holders of A Shares shall be determined by the Board or its authorized person(s) with reference to the market conditions before issuance after negotiation with the sponsor institution (the lead underwriter), and shall be disclosed in the announcement documents of the A Share CB.

The remaining A Share CB after such preferential allocation to the existing holders of A Shares or waived by the existing holders of A Shares shall be issued to the institutional investors by off-line allotment or to the investors through the on-line offering system of the SSE. The lead underwriter shall underwrite the any remaining balance thereto.

LETTER FROM THE BOARD

(xvii) Relevant matters on a share CB holders' meetings

1. *Rights of the A Share CB Holders*

- (1) Rights to participate in or appoint agencies to participate in the A Share CB Holders' meeting and exercise voting rights in accordance with the laws, administrative regulations and other relevant requirements;
- (2) Rights to convert the A Share CB held into Shares of the Company according to the agreed conditions;
- (3) Entitlement to exercise right of sell back on agreed conditions;
- (4) Assignment, bestowal or pledge of the A Share CB held in accordance with the laws, administrative regulations and the Articles;
- (5) Access to relevant information in accordance with the laws and the Articles;
- (6) Claim to the Company for principal and interests of the A Share CB in accordance with the agreed period and manner;
- (7) Other rights granted by the laws, administrative regulations and Articles as creditors of the Company.

2. *Obligations of the A Share CB Holders*

- (1) Compliance with the relevant terms of the A Share CB of the Company;
- (2) Making due subscription payment of the corresponding A Share CB;
- (3) Compliance with the valid resolutions of the A Share CB Holders' meeting;
- (4) Except as specified in laws, regulations, or the agreement of the offering document, the A Share CB Holders shall not request the Company to make prepayment of the principal and interests of the A Share CB;
- (5) Compliance with other obligations undertaken by the A Share CB Holders in accordance with the laws, administrative regulations and the Articles.

3. *The Board shall convene an A Share CB Holders' meeting when any of the following circumstances arises:*

- (1) The Company's proposal for changes of the agreements of the offering document;
- (2) The Company's default in paying principal and interests of the A Share CB on time;

LETTER FROM THE BOARD

- (3) Reduction of the Company's capital, merger, separation, dissolution or application of winding up of the Company;
- (4) Significant changes occurred to the guarantor (if any) or the security (if any);
- (5) The occurrence of other matters which may substantially affect the interests of the A Share CB Holders.

4. *Institutions or personnel which are entitled to propose the convention of an A Share CB Holders' meeting:*

- (1) Proposal by the Board of the Company;
- (2) Written proposal by any one or more A Share CB Holder(s) which hold more than 10% of the unredeemed A Share CB;
- (3) Any institutions or personnel designated by the CSRC.

The Company will set out the method of protecting the interest of the A Share CB Holders and the rights, procedures and effective conditions of resolutions of the A Share CB Holders' meeting in the offering document.

(xviii) Use of proceeds

The total proceeds from the issuance of the A Share CB will be applied in the construction project of Shenzhen section of Shenzhen Outer Ring Expressway (Coastal Expressway to Shenshan Expressway section) after deducting the issue cost. Based on its preliminary design, the said project is expected to cost approximately RMB20,594,480,700, among which the Company and its wholly-owned subsidiary, Shenzhen Outer Ring Expressway Investment Company Limited, will invest not more than RMB6,500,000,000 in the project. The Company shall use self-raised fund to finance the outstanding investment amount for the project and the short fall between the actual net proceeds and the amount intended to be applied to the project raised from the issue of A Share CB.

If the time of receiving the proceeds from the issue of the A Share CB does not meet with the implementation schedule of the project, the Company may apply its self-raised fund to the project pursuant to its actual process and conditions, and replace such self-raised fund with the proceeds from the issue of the A Share CB after the same has been received.

(xix) Management and deposit of proceeds

The Company has established its saving system of proceeds, pursuant to which proceeds from the issuance of the A Share CB will be deposited into a specific account determined by the Board, specific matters related to the opening of the account will be determined by the Board or its authorized person(s) and the information in relation to such account will be disclosed in the issuance announcement.

LETTER FROM THE BOARD

(xx) Guarantee

There is no guarantee in relation to the proposed issuance of the A Share CB.

(xxi) Validity period of the board resolution

The resolution of the issuance of the A Share CB will be valid for 12 months from the date of the passing of the relevant resolutions at the EGM and the Class Meetings.

(xxii) Matters relating to authorization

It will be proposed at EGM and the Class Meetings to authorize the Board with the full power to handle matters in relation to the issuance of the A Share CB, which include but not limited to:

1. pursuant to the issuance plan to be approved by EGM and the Class Meetings and the actual situation, to formulate and implement the specific plan of the issue of A Share CB, which include the issue time, issue size, commencement and expiry date of the issue, method of issue and target investors, arrangement of preferential allotment to existing holders of A Shares, interest rate of the A Share CB, redemption and sell back of the A Share CB, the Conversion Price, adjustment to the Conversion Price, methods of subscription, allocation of subscription, and any other matters in relation to the issue;
2. if new requirements were introduced by laws or regulations or relevant securities regulatory authorities has implemented new regulatory policy in relation to the issuance of the A Share CB, or the conditions of capital market have changed, to adjust the issuance plan of the A Share CB and any other relevant matters, save for those matters which are required to be re-voted at a general meeting pursuant to requirements of relevant laws, regulations and the Articles;
3. to engage relevant intermediaries to handle the matters relating to the issue and listing of the A Share CB, and to prepare, amend and submit the application materials in relation to the issue and listing;
4. to amend, supplement, sign, submit, present and execute all the agreements, contracts and documents (including but not limited to the underwriting and sponsor agreements, agreements in relation to the investment projects which the proceeds will be applied, agreements in relation to engagement of intermediaries, etc.);
5. pursuant to the use of proceeds as approved by the general meeting, and based on the actual progress and financial needs of the investment projects, to adjust and determine the specific usage and arrangement of the proceeds from the issue of the A Share CB; based on the actual progress and financial needs of the projects, the Company may raise funds and implement the investment projects, and replace such funds with the proceeds from the issue of the A Share CB after the same has been received by the Company; and to adjust the investment projects in accordance with the requirements of the relevant laws, regulations or regulatory authorities and market conditions if necessary;

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6. to open the specific account for depositing the proceeds, and to sign the agreements in relation to the management and use of proceeds;
7. to handle the registration, approval, and other matters in relation to the investment projects which the proceeds from the A Share CB issue will be applied, and to sign any material contracts in relation to such investment projects during the implementation process;
8. to appropriately amend the relevant provisions of the Articles based on the conditions of issuance and conversion of the A Share CB and to deal with matters in relation to the filing with administration for industry and commerce, registration of changes in registered share capital, listing and dealings of the A Share CB, etc.;
9. if as a result of force majeure or other matters, the issue plan cannot be implemented or if implemented may lead to adverse consequences to the Company, or if the policy in relation to the issue of A Share CB changes, to decide to postpone the issuance plan in advance at its discretion;
10. to conduct all other matters in relation to the issue of the A Share CB insofar as permitted by relevant laws, regulations and the Articles.

The authorization shall be effective for a period of 12 months commencing from the date of the resolutions passed at the EGM and the Class Meetings. If the issue of the A Share CB is approved by the CSRC and completed during the said effective period, authorization period for the registration, listing, conversion and business registration matters and procedures in relation to the A Share CB which required to be carried out at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and the SSE, shall be effective from the date of the general meetings up to the completion date of such relevant matter or procedure.

It will be proposed at the EGM and the Class Meetings to approve the Board to authorize the Chairman, President, Financial Controller and the Secretary to the Board as the authorized persons to handle the matter in relation to the issue of A Share CB and to sign the relevant legal documents. The aforesaid authorized persons shall have the power to represent the Company to handle the matters regarding the issue of the A Share CB under the mandate to be granted at the EGM and the Class Meetings and authorized by the Board.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not conduct any other equity fund raising activities in the past twelve months immediately before the date of this announcement.

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FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS FROM THE PUBLIC ISSUE OF A SHARE CONVERTIBLE CORPORATE BONDS

The full text of the Feasibility Analysis Report on the Use of Proceeds from the Public Issue of A Share Convertible Corporate Bonds is set out in Appendix I to this circular. The resolution in relation to the Feasibility Analysis Report on the Use of Proceeds from the Public Issue of A Share Convertible Corporate Bonds has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

The full text of the Report on the Use of Proceeds Previously Raised is set out in Appendix II to this circular. The resolution in relation to the Report on the Use of Proceeds Previously Raised has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

PROPOSAL ON THE SHAREHOLDER'S RETURN FOR THE FUTURE THREE YEARS (2017-2019)

The Company focuses on its long-term and sustainable development. Taking into account of the return requirements and wishes of its Shareholders, its strategic development plan, actual development stage, financial status, cash flow status and many other factors, the Company formulated a shareholder's return plan for the coming three years (2017-2019) in order to establish a sustained, stable and scientific return plan and mechanism to ensure the continuity and stability of its profit distribution policies. The Company will endeavor to increase its cash dividend ratio in the coming three years (2017-2019). When the financial and cash position are good and there is no significant investment plan or cash expenditure, the Company will allocate not less than 45% of the distributable profits realized during the year as cash dividend.

The full text of the Proposal on the Shareholder's Return for the Future Three Years (2017-2019) is set out in Appendix III to this circular. The resolution in relation to the Proposal on the Shareholder's Return for the Future Three Years (2017-2019) has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

DILUTION OF CURRENT RETURNS BY THE PUBLIC ISSUE OF THE A SHARE CONVERTIBLE BONDS BY THE COMPANY AND THE REMEDIAL MEASURES

According to CSRC's requirements on disclosure of information, the Company formulated the Dilution of Current Returns by the Public Issue of the A Share Convertible Bonds by the Company and the Remedial Measures to estimate for the potential impact of the issuance of A Share CB on the current returns of the Company. The key assumptions on which the estimation relies on may differ from the actual circumstances (such as the issuance date of the A Share CB, the conversion time of the A Share CB and the growth of the Company's profit), leading to the difference in the result of such estimation and the actual circumstances. Such estimation does not represent or constitute any judgment of the Company's future operating situations and trends or profit forecast. Investors should not rely on such estimation when accessing the investment value of the Company.

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The full text of the Dilution of Current Returns by the Public Issue of the A Share Convertible Bonds by the Company and the Remedial Measures is set out in Appendix IV to this circular. The resolution in relation to the Dilution of Current Returns by the Public Issue of the A Share Convertible Bonds by the Company and the Remedial Measures has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

UNDERTAKINGS BY THE CONTROLLING SHAREHOLDER, ACTUAL CONTROLLER, DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY ON THE ACTUAL PERFORMANCE OF THE REMEDIAL MEASURES FOR THE DILUTION OF CURRENT RETURNS OF THE COMPANY

The full texts of Undertakings by the Controlling Shareholder and Actual Controller of the Company on the Performance of the Remedial Measures for the Dilution of Current Returns of the Company by the Public Issue of the A Share Convertible Bonds and Undertakings by the Directors and Senior Management of the Company on the Performance of the Remedial Measures for the Dilution of Current Returns of the Company by the Public Issue of the A Share Convertible Bonds are set out in Appendix V to this circular. The resolution in relation to the Undertakings by the Controlling Shareholder, Actual Controller, Directors and Senior Management of the Company on the Actual Performance of the Remedial Measures for the Dilution of Current Returns of the Company has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

TERM OF A SHARE CONVERTIBLE CORPORATE BONDHOLDERS' MEETING

The full text of the Term of A Share Convertible Corporate Bondholders' Meeting is set out in Appendix VI to this circular. The resolution in relation to the Term of A Share Convertible Corporate Bondholders' Meeting has been considered and passed by the Board on 9 November 2017 and proposed to the EGM for approval, and, if thought fit, to be approved by way of ordinary resolution.

REASONS FOR AND BENEFITS OF THE ISSUANCE OF A SHARE CB

The Company together with its subsidiaries are principally engaged in the investment, construction, operation and management of toll highways, as well as other urban and transportation infrastructure facilities. Currently, other urban infrastructure facilities mainly include large environmental business areas such as water environmental treatment and solid waste treatment. As transportation infrastructure industry and environmental protection industry are capital-intensive industries which require large amount of funding, the financial risk of the Company will significant increase if the Company merely raises fund by issuance of debt securities, thus the Company's development capacity will be limited and will miss out the industry development opportunity. The issue of the A Share CB can enhance the capital strength of the Company, increase its subsequent development capacity, and provide financial support for the implementation of its strategies. The A Share CB can provide low-cost financing to the Company and help to reduce the Company's financial costs prior to the conversion. When the A Share CB are ultimately be converted into A Shares, the equity financing channels of the Company will also be broadened, which allows the Company to have the chance to optimize its capital structure, maintain financial flexibility, and enhance its healthy development in future.

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The Directors are of the view that the issue of the A Share CB and the terms and conditions of the A Share CB are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 19A.38 of the Listing Rules, the grant of Specific Mandate is subject to the requirements of approval at the EGM and the Class Meetings.

The proposal in relation to the issuance of the A Share CB and the grant of the Specific Mandate were considered and approved by the Board on 9 November 2017. None of the Directors has material interest in the abovementioned matters and hence no Director abstained from voting on such Board resolutions.

The Board expects that the Company will continue to maintain sufficient public float to comply with the minimum public float requirement set out in the Listing Rules.

RESUME OF THE CANDIDATES AND THE PROPOSED REMUNERATION OF THE EIGHTH SESSION OF THE BOARD AND THE EIGHTH SESSION OF THE SUPERVISORY COMMITTEE

Pursuant to the provisions of the Articles of Association, the Board of the Company shall be formed by 12 Directors, among which Independent Directors shall not be less than 4 and the Supervisory Committee shall be formed by 3 Supervisors, 2 of which shall be shareholders' representative Supervisors and 1 of which shall be staff representative Supervisor. The term of office for each Director and each Supervisor shall be three years. Upon expiry of the term, the Director or the Supervisor shall be eligible for re-election and re-appointment. The term of consecutive service of the Independent Directors shall not be more than six years. The Directors and shareholders' representative Supervisors shall be elected at the shareholder's general meeting and the staff representative Supervisor shall be elected at the staff representatives' meeting, whose results shall be notified to the shareholders' general meeting.

Since the term of office of the members of the seventh session of the Board and the Supervisory Committee will expire on 31 December 2017, the Company announced on 13 November 2017 that it will convene the EGM on 28 December 2017 (Thursday) to elect 12 Directors (including 4 Independent Directors) of the eighth session of the Board, and 2 shareholders' representative Supervisors of the eighth session of the Supervisory Committee, and to fix the remuneration of the eighth session of the Board and the Supervisory Committee. The term of office of the new Directors and Supervisors shall be three years, which shall commence on 1 January 2018 and end on 31 December 2020.

Pursuant to the Article of Association, the Company shall adopt the cumulative voting system for election of the Directors and Supervisors and the voting on the election of non-Independent Directors, Independent Directors and Supervisors shall be conducted separately. For arrangement and details on the cumulative voting system, please refer to the notes in the attached proxy form of the EGM.

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(i) **List of candidates of the Directors of the eighth session of the Board and resume of the candidates**

Pursuant to provisions of the Articles of Association and its schedules, the Board, the Supervisory Committee and shareholders individually or collectively holding more than 1% of the issued share capital of the Company are entitled to nominate candidates of the Directors. The shareholders are entitled to lodge a notice in writing to the Company to nominate candidates of the Directors, provided that the notice period shall end seven days before convening the EGM. The candidates nominated shall issue a notice in writing to the Company acknowledging their intention to be elected seven days prior to the date of convening the EGM.

The proposed candidates of the eighth session of the Board are nominated by the shareholders of the Company and the Board, including Mr. Hu Wei, Mr. Liao Xiang Wen, Ms. Gong Tao Tao, Mr. Liu Ji, Ms. Chen Yan and Mr. Fan Zhi Yong as the candidates of the Directors nominated by XTC Company, Mr. Wu Ya De as the candidate for the Directors nominated by SGH Company, Mr. Chen Yuan Jun as the candidate for the Directors nominated by CMET, and Mr. Hu Chun Yuan, Mr. Cai Shu Guang, Mr. Wen Zhao Hua and Ms. Chen Xiao Lu as the candidates of the Independent Directors nominated by the Board. Among the candidates, Mr. Hu Wei, Mr. Liao Xiang Wen, Mr. Liu Ji, Mr. Wu Ya De, Mr. Chen Yuan Jun, Mr. Hu Chun Yuan and Mr. Cai Shu Guang are members of the seventh session of the Board and were re-nominated as the candidates of the Directors of the eighth session of the Board. The names and resume of all the candidates of the Directors are as follows:

Directors

Mr. HU Wei, born in 1962, holds a professional title of Senior Economist, obtained a bachelor degree from Changsha Railway Institute (now known as Central South University) majoring in English, and obtained a master degree from University of South Australia majoring in risk management. He has extensive experience in corporate operation, corporate management including investment, financing, capital operations, auditing and risk management, and experience in overseas enterprises. Mr. Hu had worked in China Everbright Bank from June 2001 to August 2011, and had been a vice president of Shenzhen International (a Hong Kong listed company) from August 2011 to May 2017. He had been an executive director of Shenzhen International since August 2017, and is concurrently a director/the chairman of some unlisted subsidiaries or investee companies of Shenzhen International. Mr. Wu has been a Director of the Company since January 2012 and the Chairman of the Company since January 2015 and now also holds directorship in some subsidiaries of the Company.

Mr. LIAO Xiang Wen, born in 1968, obtained a doctor degree in Laws from Southwest University of Political Science and Law. He has extensive experience in toll highway management, legal affairs and human resources management. Mr. Liao had worked in Shenzhen Transportation Commission. He joined the Company in November 2004 and had successively served as deputy manager of Public Relations Department and general manager of Human Resources Department. Mr. Liao has been a Vice President since September 2009, and an Executive Director since November 2016. Mr. Liao now also holds directorship in some subsidiaries of the Company. He is also a director of Guangdong United Electronic Services Co., Ltd., an investee company of the Company.

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Ms. GONG Tao Tao, born in 1973, a Certified Public Accountant of PRC, a Certified Public Valuer of PRC, obtained a bachelor degree in auditing from Shanghai University of Finance and Economics, and a master degree in business administration from Fudan University. She has many years of experience in finance, accounting, financing and fund management and risk management. Ms. Gong joined the Company in 1999 and has been the Financial Controller of the Company since November 2002. Ms. Gong now also holds directorship in some subsidiaries of the Company.

Mr. LIU Ji, born in 1975, obtained a master degree in Science from Hong Kong Polytechnic University. He has many years of experience in capital markets, mergers and acquisitions and property management. Mr. Liu had worked in Shenzhen Construction Investment Holdings Co., Ltd. and Shenzhen State-owned Assets Supervision and Administration Commission. Mr. Liu joined Shenzhen International (a Hong Kong listed company) in August 2006, and had served successively as general manager of information technology engineering department, general manager of administration department and general manager of corporate management department, etc. He has been the general manager of investment department of Shenzhen International since August 2014. Mr. Liu currently also serves as a director or chairman of the supervisory committee of several investee companies of Shenzhen International, a supervisor of Shenzhen Cereals Group Co., Ltd. and a mediator of South China International Economic and Trade Arbitration Commission. Mr. Liu has been a Director of the Company since November 2016.

Ms. CHEN Yan, born in 1972, obtained a bachelor degree in world economy from Fudan University and a master degree in business administration from Fudan University. She has extensive experience in capital operation, investment and financing and corporate management. Ms. Chen had worked in Shenzhen Investment Fund Management Company and Shenzhen Shentou Technology Venture Investment Co., Ltd. Ms. Chen joined Shenzhen International (a Hong Kong listed company) since July 2002 and had served as the general manager of the strategic development department, etc. She has been the general manager of corporate management department of Shenzhen International since February 2017.

Mr. FAN Zhi Yong, born in 1973, holds a professional title of Economist, graduated from Tongji University majoring in inorganic materials and silicate engineering, obtained an executive master of business administration from Xiamen University. He has more than 20 years of extensive experience in engineering management and corporate management. Mr. Fan had worked in Shenzhen Nanyou (Holdings) Co., Ltd. He joined Shenzhen International (a Hong Kong listed company) in May 2003, and served successively in Shenzhen International West Logistics Co., Ltd., Shenzhen International Qianhai Industrial (Shenzhen) Co., Ltd., both of which are subsidiaries of Shenzhen International. Mr. Fan has been the director and general manager of Shenzhen International Qianhai Industrial (Shenzhen) Co., Ltd. since February 2016. Mr. Fan now is also the chairman of some unlisted subsidiaries of Shenzhen International.

Mr. WU Ya De, born in 1964, holds a professional title of Senior Political Officer, obtained a bachelor degree from Administration Institute of Guangdong Province majoring in economic management and obtained a postgraduate certificate from Guangdong Province Social Science Institute majoring in Economy. He has extensive experience in toll-highway management and investment as well as corporate management. Mr. Wu had successively been a director, the general

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manager, and the chairman of SGH Company. He has been the Acting General Manager, General Manager/President of the Company since January 2002. Mr. Wu has been a Director of the Company since January 1997, and now holds directorship in some subsidiaries of the Company.

Mr. CHEN Yuan Jun, born in 1961, holds professional titles of Senior Economist and Engineer, obtained a master degree in business administration. He has extensive experience in transportation infrastructure construction and corporate operation and management. Mr. Chen had worked in Qinhuangdao Port Authority of Ministry of Transport, China Merchants Group Co., Ltd. and China Merchants Holdings (International) Company Limited. He has been the deputy general manager and chief operating officer of China Merchants Holdings (Pacific) Limited (a Singapore listed company) since December 2004 and a deputy general manager of CMET since February 2013. Mr. Chen is currently also a director of Huabei Expressway Company Limited (a PRC listed company) and a deputy general manager, general manager, director and/or chairman of a number of other investee companies of CMET. He is also a director of “Year Book of China Transportation and Communications” and a director of the Operation and Management Association of Chinese Expressway. Mr. Chen has been a Director of the Company since November 2016.

Independent Directors

Mr. HU Chun Yuan, born in 1969, a Certified Public Accountant of PRC (qualified for engaging in securities and futures activities), obtained bachelor degree from Xi’an Jiaotong University majoring in auditing, a master degree from Xiamen University majoring in accounting and a doctor degree from Shanghai University of Finance and Economics majoring in accounting. He has well experience in restructuring and listing, assets reorganization and bonds reorganization, the auditing of listed companies and securities companies, and the design of corporate governance structure and management structure. Mr. Hu had successively engaged in auditing and management consulting work in Shenzhen Dahua Tiancheng Certified Public Accountants Co., Ltd., BDO China Li Xin Da Hua Certified Public Accountants Co., Ltd. (now known as Da Hua CPAs (Special General Partnership)), etc. Since July 2011, he has been the vice-president and executive partner of BDO China Shu Lun Pan Certified Public Accountants LLP and a fellow certified public accountant. Mr. Wu is also an executive of The Chinese Institute of Certified Public Accountants and a member of its Technical Advisory Committee, an executive of Guangdong Institute of Certified Public Accountants, a visiting professor at Sun Yat-sen University, etc. He is also an independent director of Gemdale Properties and Investment Corporation Limited (a Hong Kong listed company) and Shenzhen Terca Technology Co., Ltd. (a PRC listed company). Mr. Wu has been an Independent Director of the Company since January 2015.

Mr. CAI Shu Guang, born in 1955, holds a professional title of Senior Engineer, obtained a master degree in business administration from The University of Ballarat in Australia. He has extensive experience and knowledge in project planning and corporate management. Mr. Cai had worked in Yangzi Petrochemical Company, Shanghai Synthetic Detergent Factory and Guangdong Holding Group. He joined China Everbright International Limited (a Hong Kong listed company) in February 2004 and is currently an executive director and deputy general manager. Mr. Cai is also an executive director of China Everbright Water Limited (a Singapore listed company) and a deputy chairman of Everbright Environmental Protection (China) Co., Ltd. etc. Mr. Cai has been an Independent Director of the Company since May 2017.

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Mr. WEN Zhao Hua, born in 1961, obtained an honours degree in business administration from The Chinese University of Hong Kong, a master degree in business administration from the University of Pittsburgh in the United States. He has over 30 years of experience in commercial banking and investment banking. Mr. Wen had worked in Bank of Credit and Commerce International, Australia & New Zealand Banking Group Limited, Industrial and Commercial Bank of China (Asia) Limited. From May 2007 to July 2015, he successively served as managing director of BOC International Holdings Limited, the chief executive officer of China Merchants Securities (HK) Co., Limited. Mr. Wen has been the chief executive officer of Cleverage Capital Limited since September 2015 and is also a visiting professor and consultant of The Chinese University of Hong Kong.

Ms. CHEN Xiao Lu, born in 1975, is a licensed responsible officer of the Hong Kong Securities and Futures Commission, obtained a bachelor degree in international economic cooperation from the University of International Business and Economics, an international MBA degree co-organized by Peking University and Fordham University. Ms. Chen has 20 years of experience in consulting and investment banking. Ms. Chen joined BOC International Holdings Limited in May 1999 and successively served as vice chairman and joint supervisor of investment banking department of BOCI Asia Limited, a wholly-owned subsidiary of BOC International Holdings Limited. Since February 2015, she has been an executive director of investment banking department of BOC Asia Limited. Ms. Chan is currently also a director of Bohai Industrial Investment Fund.

The candidacy of the above Independent Directors is effective only after it has been examined and has not been objected by the Shanghai Stock Exchange.

Save as disclosed above, each of the candidates of Directors confirms that (i) he/she did not hold any other directorships in any other listed public companies in the last three years; (ii) he/she has no relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) he/she has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

Save as disclosed above, the Company considers that there is no information which is discloseable nor is/was any of the above persons involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter relating to the nomination of the above persons that needs to be notified the shareholders of the Company.

(ii) List of candidates of the Supervisors of the eighth session of the Supervisory Committee and resume of the candidates

Pursuant to provisions of the Articles of Association and its schedules, the promoters and shareholders individually or collectively holding more than 3% of the issued share capital of the Company are entitled to nominate candidates of the Supervisors.

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The proposed candidates of the shareholders' representative Supervisors of the eighth session of the Supervisory Committee are nominated by the shareholders of the Company, including Mr. Wang Zeng Jin as the candidates of the Supervisors nominated by XTC Company and Ms. Ye Jun as the candidates of the Supervisors nominated by GDRB. The names and resume of the candidates of the Supervisors are as follows:

Mr. WANG Zeng Jin, born in 1970, obtained a bachelor degree in law from Zhongnan Institute of Law (now known as Zhongnan University of Economics and Law), a master degree in law from Peking University. He has 20 years of experience in human resource management and corporate management. Mr. Wang had worked in Shenzhen Investment Holding Corporation. He joined Shenzhen International (a Hong Kong listed company) in October 2004 as secretary to the chairman and had been the general manager of human resource department of Shenzhen International from June 2005 to August 2015. Mr. Wang has been a Director of the Company since January 2015, with the term of office ending until December 2017. Mr. Wang is currently also a director of a subsidiary of the Company.

Ms. YE Jun, born in 1974, holds a professional title of Senior Accountant, obtained a bachelor degree in financial accounting from Xi'an Jiaotong University. She has extensive experience in financial management and auditing. Ms. Ye joined GDRB in March 2001 and has been a deputy manager of financial management department of that company since March 2010.

Besides, the staff representative Supervisor has been elected at the staff representatives' meeting, whose name and resume are as follows:

Mr. XIN Jian, born in 1968, obtained a college degree. He has many years of experience in financial and capital management. Mr. Xin had worked in Guangdong Luoding Insurance Company and XTC Company. He joined the Company in December 1996 and had been capital manager of finance department, etc. Currently, Mr. Xin is the senior headquarter financial manager of finance department of the Company. Mr. Xin has been the staff representative Supervisor of the Company since January 2016.

Save as disclosed above, each of candidates of shareholders' representative Supervisors and the staff representative Supervisor confirms that (i) he/she did not hold any other directorships in any other listed public companies in the last three years; (ii) he/she has no relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) he/she has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

Save as disclosed above, the Company considers that there is no information which is discloseable nor is/was any of the above persons involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter relating to the nomination of the above persons that needs to be notified the shareholders of the Company.

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(iii) Proposed remuneration of the eighth session of the Board and the Supervisory Committee

On the basis of thorough consideration of the PRC markets, with reference to the market remuneration standard, the actual circumstances of the Company and the candidates, it is proposed that the remuneration of the members of the eighth session of the Board and Supervisory Committee be fixed as follows:

The proposed remuneration of the eighth session of the Board

1. The Company will not fix or pay any director's fee to the executive Directors who held manage position in the Company. The salary of the executive Directors will be calculated, approved and paid with reference to the actual circumstances of their respective positions and in accordance with the Company's remuneration and benefit policies.

According to the Company's remuneration and benefit policies, employee's remuneration includes the position salary and the performance bonus which are determined with reference to the market value of the position and the performance of the relevant employee. Employee's benefits include statutory benefits and fringe benefits, which are implemented according to the unified standards imposed by the government and the Company respectively. Unless otherwise approved by the Board, the position salary of the Chairman and the President of the Company will be RMB59,000 and RMB49,000 per month respectively, while the position salary of the executive Directors who held manage position will be RMB40,000 to RMB45,000 per month since 1 January 2018 and their annual performance bonus will be calculated and paid according to the principal that the respective percentage ratios of the position salary and the basis of the performance bonus to the annual salary are 60% and 40%, and the coefficient of the performance bonus of each year should be ascertained by the Board on the basis of the result of annual performance evaluation. The Board may, according to the actual circumstances and in accordance with the Company's remuneration policies and regulations, review and adjust the total salary of the Chairman, the President and other executive Directors as they think appropriate as well as implement reasonable performance appraisal and incentive program. Moreover, the total amount of the annual salary of the Chairman, the President and other executive Directors shall not exceed the prescribed standard specified by state owned assets supervision and administration authorities in principle. If the operational performance is especially outstanding, there could be moderate breakthrough to the above-mentioned standard for the total annual salary ascertained upon evaluation, which is subject to the approval of the Board. Details of the emolument received by the executive Directors will be disclosed regularly in the annual report of the Company.

2. The Company will not fix or pay any director's fee to the non-executive Directors who receives salary in shareholders' entities. The proposed director's fee for each non-executive Director who doesn't receive salary in shareholders' entities is RMB350,000 per annum.
3. The proposed director's fee for each Independent Director is RMB210,000 per annum.

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The proposed remuneration of the eighth session of the Supervisory Committee

1. The Company will not fix or pay any supervisor's fee to the Supervisor who holds manage position in the Company and does not receive salary in shareholders' entities, including shareholders' representative Supervisors and staff representative Supervisor. The salary of the Supervisor who holds manage position will be calculated, fixed and paid with reference to the actual circumstances of his position and performance and in accordance with the Company's remuneration and benefit policies.

Mr. Xin Jian, the staff representative Supervisor, is the senior headquarter financial manager of finance department of the Company. According to the Company's remuneration and benefit policies, his position salary is RMB13,600 per month. The determination, adjustment and approval of his total amount of salary will be made according to the Company's "Remuneration Management Procedures" (薪酬福利管理程序) and disclosed regularly in the annual reports of the Company.

2. The Company will not fix or pay any supervisor's fee to the Supervisors who receives salary in shareholders' entities.

Unless otherwise specified, remuneration and salary mentioned above shall be inclusive of tax.

All Directors and Supervisors who attend or observe the relevant meetings shall obtain meeting subsidy for the meetings. The standard of meeting subsidy for attending each meeting will be RMB1,000 (after tax) per person and the standard of meeting subsidy for observing each meeting will be RMB500 (after tax) per person.

The Company will enter into director's service contract with each Director in a standard form. Pursuant to the director's service contract, the director's fees and subsidies shall be determined by the Board and be subject to approval in general meeting. The Company will not enter into supervisor's service contract with the Supervisors. The personal income tax for the emolument received by Directors and Supervisors (if any) will be withheld by the Company according to the national tax policy.

EGM, ACM AND HCM

The Company will convene the EGM, the ACM and the HCM consecutively at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC at 9 a.m. on 28 December 2017 (Thursday). Pursuant to Rule 13.39(4) of the Listing Rules and/or the Articles of Association of the Company, voting at the EGM, the ACM and the HCM will be taken by poll.

The notices of the EGM and the HCM, together with the reply slips and the proxy forms of the EGM and the HCM have been published and despatched to the Shareholders on 13 November 2017. An extract of the notices of the EGM and the HCM are set out on pages 65 to 72 of this circular.

LETTER FROM THE BOARD

The EGM, the ACM and the HCM are to consider and, if thought fit, to approve the resolutions in relation to approval of the issuance proposal related to the A Share CB and the grant of the Specific Mandate for the issuance of the A Share CB. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolutions for the issuance proposal related to the A Share CB and the grant of the Specific Mandate for the issuance of the A Share CB at the EGM, the ACM and the HCM.

Whether or not you intend to attend abovementioned meetings, you are requested to complete the proxy forms in accordance with the instructions printed thereon and return the same to the registrar of H shares of the Company, Hong Kong Registrars Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC (for A Shareholders) as soon as possible and in any event not later than 24 hours before the time appointed for holding the relevant meetings. Completion and return of the proxy form will not preclude you from attending and voting in person at the relevant meetings or any adjourned meeting(s) should you so wish.

RECOMMENDATION

The Board considers that the terms of the proposed issuance of the A Share CB under the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and the resolutions of the re-election or appointment of Directors and Supervisors are in the interests of the Company and the shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the general meetings (including EGM, ACM and HCM).

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board of
Shenzhen Expressway Company Limited
HU Wei
Chairman

II. FEASIBILITY ANALYSIS ON PROJECT INVESTMENT WITH THE PROCEEDS FROM THE ISSUANCE**(I) Overview of Shenzhen Outer Ring Expressway Section A**

As an important “horizontal” expressway among the “seven horizontal and thirteen vertical” highway network in Shenzhen, Shenzhen Outer Ring Expressway Section A will be a fast outer ring trunk in east-west direction in Shenzhen, but also a strengthened expressway in the “nine vertical, five horizontals and two rings” highway skeleton network in Guangdong Province in the future. Shenzhen Outer Ring Expressway, as a fast east-west channel in the third ring of Shenzhen, has great significance in establishing and perfecting the outer rapid channel pattern of Shenzhen. It can effectively connect the main skeleton of the north and south expressways, and can give full play to the overall benefits of highway network. From the perspective of the overall economic efficiency of the society, the construction of Outer Ring Expressway, first of all, has a supporting role in the development and construction around the periphery of former core areas of Shenzhen, especially several city sub-centers such as Longgang, Pingshan New District, etc. Secondly, the project is under the cooperation of Shenzhen and Dongguan, so its construction will significantly improve the regional transportation situation and investment environment and has great significance in promoting the common prosperity of economy in Shenzhen, Dongguan and Huizhou.

Shenzhen Outer Ring Expressway starts from Shenzhen Baoan District, connects Guangshen Coastal Expressway, stops at Shenzhen Dapeng New District and then connects Yanba Expressway, with a total mileage of about 93 km, of which about 76 km in Shenzhen and about 17 Km in Dongguan. Shenzhen Outer Ring Expressway Section A starts from Shenzhen Baoan District, connects Guangshen Coastal Expressway, passes from Guangming New District, Longhua New District, Dongguan (Dongguan Section is not within the scope of the project) and Longgang District to Pingshan New District, and connects Julong Road (under planning) after linking with Shenzhen-Shantou Expressway. It is a two-way six-lane expressway of about 60 km.

(II) Mode of project construction**1. Cooperation mode**

The investment in, construction and management of Shenzhen Outer Ring Expressway Section A will be carried out in cooperation with Shenzhen Municipal Government. Shenzhen Expressway and Shenzhen Municipal Government will jointly invest in the project in accordance with the agreed upon size. Shenzhen Municipal Government is responsible for mobilizing government resources to complete the task of land acquisition and demolition required for the construction of the expressway, and Shenzhen Expressway will exert its experience and strength in expressway construction, operation and management to jointly guarantee the smooth construction of the project.

The project to be invested by the proceeds from the issuance is an expressway construction project jointly developed by the government and social capital. The proceeds from the issuance will mainly invest in the Company’s main business that meets national strategic policy. Under the situation of

realizing common success among the society, the government and the enterprise, the project will further consolidate the core advantages of Shenzhen Expressway in highway investment, management and operation, expand the market share of the Company and enhance its status in the industry.

2. *Project construction framework*

Outer Ring Company is responsible for the investment in, development and construction of Shenzhen Outer Ring Expressway Section A project.

On March 18, 2016, Transport Commission of Shenzhen Municipality (“**Transport Commission of Shenzhen Municipality**”) signed a concession agreement with the Outer Ring Company (the “**Concession Agreement**”). On that day, Shenzhen SEZ Construction Development (“**SZCDGC**”) signed a joint investment and construction agreement (the “**Joint Construction Agreement**”) with the Outer Ring Company and Shenzhen Expressway. The aforementioned two agreements stipulate the basic framework for the investment by Shenzhen Expressway and Outer Ring Company in the construction of Shenzhen Outer Ring Expressway Section A project.

(1) *Concession Agreement*

In accordance with the Concession Agreement, Outer Ring Company shall comply with the approval documents issued by competent departments of Guangdong Provincial Government as well as State regulations on the procedures and technical standards of highway construction, and complete the construction of Shenzhen Outer Ring Expressway Section A as per quality and quantity requirements. Transport Commission of Shenzhen Municipality will grant Outer Ring Company the concession over Shenzhen Outer Ring Expressway Section A during the concession period.

The concession enjoyed by Outer Ring Company mainly includes the rights to invest in Shenzhen Outer Ring Expressway Section A during the concession period and to collect tolls after the handover and acceptance of the project.

Outer Ring Company shall, upon expiry of the concession period of Shenzhen Outer Ring Expressway Section A or the premature reclaiming of the concession by the Government, hand over Shenzhen Outer Ring Expressway Section A to the Transport Commission of Shenzhen Municipality or its designated institution.

In addition, in accordance with the “Reply to the Tolls of Shenzhen Outer Ring Expressway” (Y. B. H. [2009] No. 602) issued by the Office of Guangdong Provincial People’s Government, agreeing that the tolls on Shenzhen Outer Ring Expressway may be collected from the date when it is handed over and accepted, for a toll period of no more than 25 years. The specific start date and end date of the toll period shall be subject to the provisions of toll approval documents regarding Shenzhen Outer Ring Expressway Section A.

are responsible for land preparation, including but not limited to checking land, confirming rights, building expropriation and removal, compensation, reclaiming of land use right, ground clean-up, so as to ensure the project construction land (including permanent land and temporary land) is in deliverable and suitable-for-use condition. The land-use right over Shenzhen Outer Ring Expressway Section A belongs to Shenzhen Municipal Government. Shenzhen Municipal Government authorizes Outer Ring Company to freely use the land of Shenzhen Outer Ring Expressway Section A during the concession period.

On September 18, 2016, Department of Land and Resources of Guangdong Province issued the “Opinions of Department of Land and Resources of Guangdong Province regarding the secondary pre-review of land for Shenzhen Outer Ring Expressway construction project” (Y. G. T. Z. (Y.) H. [2016] No. 50), passing the pre-view of the land for Shenzhen Outer Ring Expressway construction project.

(IV) Project investment plan and schedule

According to the “Reply of Guangdong Provincial Department of Transportation regarding the preliminary design of Shenzhen Outer Ring Expressway Shenzhen Section Phase II project (Pingdi-Kengzi section)” (Y. J. J. [2016] No. 12) and the “Reply of Guangdong Provincial Department of Transportation regarding the preliminary design of Shenzhen Outer Ring Expressway Shenzhen Section Phase I project” (Y. J. J. [2014] No. 927) issued by Guangdong Provincial Department of Transportation, the preliminary estimate for Shenzhen Outer Ring Expressway Section A is RMB20,594.48 million.

Shenzhen Outer Ring Expressway Section A project’s investment estimates are as follows:

| Name of project or cost | Total investment (RMB’0,000) | Proportion |
|---|---|-------------------|
| Part 1 Construction and installation engineering cost | 1,138,490.42 | 55.28% |
| I. Temporary works | 7,455.62 | 0.36% |
| II. Roadbed works | 52,534.69 | 2.55% |
| III. Pavement works | 28,602.07 | 1.39% |
| IV. Bridge and culvert works | 217,604.82 | 10.57% |
| V. Inter-crossed works | 686,138.72 | 33.32% |
| VI. Tunnel engineering | 73,275.44 | 3.56% |
| VII. Highway facilities and buried pipeline works | 37,253.64 | 1.81% |
| VIII. Greening and environmental protection works | 20,481.45 | 0.99% |
| IX. Management, maintenance and service houses | 15,144.00 | 0.74% |
| Part 2 Equipment, tools and equipment acquisition expenses | 11,306.94 | 0.55% |
| I. Equipment acquisition expenses | 11,201.44 | 0.54% |
| III. Office and living furniture acquisition expenses | 105.50 | 0.01% |

| Name of project or cost | Total investment (RMB'0,000) | Proportion |
|---|---------------------------------|------------|
| Part 3 Other costs of construction | 595,733.39 | 28.93% |
| I. Compensation for demolition and resettlement due to land acquisition | 541,173.87 | 26.28% |
| II. Construction project management fees | 29,386.27 | 1.43% |
| III. Experiment and research expenses | 820.00 | 0.04% |
| IV. Preliminary work costs of the project | 23,349.79 | 1.13% |
| V. Special evaluation (estimation) fees | 810.36 | 0.04% |
| VIII. Joint test-run fees | 57.70 | 0.00% |
| IX. Production staff training fees | 135.40 | 0.01% |
| Expenses of Part 1, Part 2 and Part 3 in total | 1,745,530.75 | 84.76% |
| Reserved expenses | 87,276.53 | 4.24% |
| Other expenses | 21,216.70 | 1.03% |
| Interest on loans during construction period | 205,424.09 | 9.97% |
| Preliminary design estimates in total | 2,059,448.07 | 100.00% |

SZCDGC shall bear the compensation for the demolition and resettlement due to land acquisition involved in the construction of Shenzhen Outer Ring Expressway Section A, as required by the Joint Construction Agreement that SZCDGC has signed with Shenzhen Expressway and Outer Ring Company. Shenzhen Expressway (including Outer Ring Company) and SZCDGC will make proportional and synchronous investment of the funds required for the construction of Shenzhen Outer Ring Expressway Section A in accordance with the annual investment plan of Shenzhen Outer Ring Expressway Section A that has been approved by the competent department of Shenzhen Municipal Government, of which, the investment by Shenzhen Expressway (including Outer Ring Company) will not exceed RMB6.5 billion and the remaining amount will be fully invested by SZCDGC.

Currently, Shenzhen Outer Ring Expressway Section A project is progressing smoothly. As of September 30, 2017, about RMB5.603 billion investment has been received for Shenzhen Outer Ring Expressway Section A project. Among the investment required for the project, RMB6.5 billion shall be borne by Shenzhen Expressway and Outer Ring Company, about RMB775 million has been invested. The project has been so far completed 77% of land acquisition and 50% of housing demolition, and is undergoing roadbed bridge construction. The main line project is expected to be completed by the end of 2019.

The overall investment plan for the project is:

| Year | Investment by SZCDGC (RMB'0,000) | Investment by Shenzhen Expressway (including Outer Ring Company) (RMB'0,000) | Total (RMB'0,000) |
|--------------|---|---|------------------------------|
| 2016 | 392,602 | 36,095 | 428,697 |
| 2017 | 206,297 | 83,109 | 289,406 |
| 2018 | 346,272 | 164,873 | 511,145 |
| 2019 | 257,628 | 194,351 | 451,979 |
| 2020 | 142,822 | 107,746 | 250,568 |
| 2021 | 63,827 | 63,826 | 127,653 |
| Total | 1,409,448 | 650,000 | 2,059,448 |

(V) Economic benefits of the project

According to the Concession Agreement and the Joint Construction Agreement, Outer Ring Company shall be granted a 25-year operation period of Shenzhen Outer Ring Expressway Section A project upon its completion and handover. During the operation period, Outer Ring Company is granted the right to collect tolls and manage the advertisements posted along the Expressway.

Shenzhen Expressway has made reasonable estimates of the project's revenue and expenses during the construction period and the operation period, convert Outer Ring Company's net cash flow in future construction period and operation period into cash based on Shenzhen Expressway's current integrated financial costs, and based on reasonable assumptions, made estimates of the economic benefit indicators of Shenzhen Outer Ring Expressway Section A project. It is estimated that the internal rate of return that Shenzhen Expressway can obtain from investment in the project is 8.40%, that is, the implied internal rate of return of the project is 8.40%, which is higher than the weighted average return on net assets 8.08% of Shenzhen Expressway in the last year after deduction of non-recurring gains and losses and also higher than the median 7.91% of that of comparable A-share listed companies in the past year after deduction of non-recurring gains and losses among highway industry (derived from Wind information about highway industry statistics and classification).

The investment payback period (including construction period, after tax) is 14.47 years, that is, the total investment costs will be recovered within less than 15 years, which is shorter than the 25-year operation period granted to Outer Ring Company.

The net present value of the project is about RMB3,743 million, which represents the size of surplus value of the project's future net cash flow after deduction of investment costs, and shows that the investment project has good economic benefits.

**III. IMPACT OF THE PUBLIC ISSUANCE OF CONVERTIBLE CORPORATE BONDS ON THE
COMPANY'S MANAGEMENT AND FINANCIAL POSITION****(I) Impact of the Issuance on the Company's management**

The project invested with the proceeds from the Issuance meets relevant national industrial policies and the Company's overall strategic development direction. The proceeds from the Issuance will be invested in the Company's main business, which is conducive to expanding the Company's asset size, improving the Company's future development space, and consolidating and improving the Company's market share and market position. The project can also get reasonable income and returns, which is in line with the Company's long-term development needs and shareholder interests.

(II) Impact of the Issuance on the Company's financial position

After the completion of the Issuance, the Company's total assets and total debt scale will increase and capital strength will be further enhanced, which is conducive to enhancing the Company's ability to resist risks. After the proceeds from the Issuance are available, the Company's short-term return on net assets and earnings per share will decline since it will take certain period of time for the project to generate economic benefits after being completed and put into service, but with the economic benefits of the project gradually appearing, the Company's profitability will be further enhanced and overall performance will be further enhanced. The Company's revenue and profit scale will gradually expand, return on net assets and earnings per share will be improved, and the Company's sustainable development capacity will be enhanced.

**IV. FEASIBILITY CONCLUSION ON PROJECT INVESTMENT WITH THE PROCEEDS
FROM THE ISSUANCE**

In summary, the project invested by the Company with the proceeds from the public issuance of A Share Convertible Corporate Bonds has good market prospects and economic benefits, and meets national industrial policies and the Company's strategies. The implementation of the project will effectively improve the Company's long-term profitability while consolidating the Company's competitive advantages. It will be conducive to the sustainable development of the Company and it is also in line with the common interests of all shareholders. Therefore, the project is feasible and necessary.

APPENDIX II REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

The following is the full text of Report on the Use of Proceeds Previously Raised for the purpose of incorporation in this circular. The report was prepared in Chinese only and set out below is an English translation of such report. In case of any discrepancies between the Chinese and the English versions of this report, the Chinese version shall prevail.

REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

Shenzhen Expressway Company Limited (“**Shenzhen Expressway**”, “**Company**” or “**the Company**”) prepared the report on the use of proceeds previously raised as at September 30, 2017 in accordance with Provisions on the Report on the Use of Proceeds from Previous Fund Raising Activities (Z. J. F. X. Zi [2007] No. 500) issued by China Securities Regulatory Commission.

I. AMOUNT OF THE PROCEEDS FROM PREVIOUS ISSUANCE, TIME OF ARRIVAL OF THE PROCEEDS AND THE DEPOSITING OF THE PROCEEDS IN SPECIAL ACCOUNT

(I) Amount of the Proceeds from Previous Issuance, Time of Arrival of the Proceeds

After deliberated and approved by the 5th meeting of the fourth session board of directors on September 14, 2006, the 2nd extraordinary general meeting of shareholders in 2006, the 2nd extraordinary general meeting of H shares in 2006 and the 2nd extraordinary general meeting of domestic shares in 2006 held on November 3, 2006, and with the approval (Z. J. F. X. Zi [2007] No. 315) issued by China Securities Regulatory Commission, the Company issued RMB1,500 million (15 million pieces) convertible corporate bonds with attached warrants (“**Convertible Bonds with Attached Warrants**”) on October 9, 2007, face value per piece of which is RMB100.00, and received a total of RMB1,500 million, the net proceeds of which after deduction of issuance expenses (brokers and other intermediaries) amount to RMB1,458,696,800. The aforesaid proceeds have been remitted into Shenzhen Expressway’s special storage account (Bank: Agricultural Bank of China Shenzhen Branch Sales Department; Account Number: 41000500040010679) on October 15, 2007, and Shenzhen Tianjian Xinde Certified Public Accountants Co., Ltd. has issued a capital verification report on the proceeds on October 16, 2007.

Among the attached warrants in the Issuance, 70,326 pieces of warrants were finally exercised and net proceeds of RMB930,400 were raised. The aforesaid proceeds have been remitted into Shenzhen Expressway’s RMB settlement account (Bank: Agricultural Bank of China Shenzhen Branch; Account Number: 41000500040023250) on October 30, 2009. Elite Partners CPA Limited Shenzhen Branch has issued a capital verification report on the proceeds on November 4, 2009.

APPENDIX II REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

(II) Depositing of the Proceeds from Previous Issuance in Special Account

In accordance with the provisions of the Measures for the Administration of Securities Issued by Listed Companies, the Company has set up a special account for depositing of the proceeds from issuance, and implemented strict approval on the use of the proceeds from issuance, so as to ensure the use of the proceeds as ear-marked. As of September 30, 2017, details of proceeds from previous issuance being deposited in bank accounts are as follows:

Unit: RMB

| Bank for depositing of proceeds from issuance | Bank account number | Initial amount deposited | Balance as of cut-off date | Notes |
|---|---------------------|--------------------------|----------------------------|------------------|
| Agricultural Bank of China Shenzhen Branch Sales Department | 41000500040010679 | 1,458,696,754.10 | 0 | Already canceled |
| Agricultural Bank of China Shenzhen Branch | 41000500040023250 | 930,412.98 | 0 | Already canceled |

II. ACTUAL USE OF PROCEEDS FROM PREVIOUS ISSUANCE

(I) Comparison of the use of proceeds from previous issuance

Unit: RMB'0,000

| Total proceeds from previous issuance: 145,962.72 | | | | | | Total proceeds used in the corresponding year: 145,962.72 | | | | |
|--|--|--|------------------------------------|-----------------------|-----------------------------|--|-----------------------|-------------------|---|--|
| Total proceeds with changes in the use: none | | | | | | 2007: 145,869.68 | | | | |
| Proportion of the proceeds with changes in the use: none | | | | | | 2009: 93.04 | | | | |
| Investment project | | | Total investment with the proceeds | | | Cumulative investment with the proceeds as of the cut-off date | | | | Date on which the project reached the working condition for its intended use |
| No. | Investment project committed | Actual investment project | Pre-money commitment | Post-money commitment | Amount of actual investment | Pre-money commitment | Post-money commitment | Actual investment | Difference between actual investment and post-money commitments | |
| 1 | Shenzhen Nantou-Guangming Expressway Project | Shenzhen Nantou-Guangming Expressway Project | No more than RMB3 billion | 145,962.72 | 145,962.72 | 145,962.72 | 145,962.72 | 145,962.72 | 0 | 1/26/2008 |
| Total | | | No more than RMB3 billion | 145,962.72 | 145,962.72 | 145,962.72 | 145,962.72 | 145,962.72 | 0 | |

APPENDIX II REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

(II) Changes in the investment projects with the use of the proceeds from previous issuance

None.

(III) Difference between actual investment and post-money commitments and the causes

In accordance with the prospectus of the convertible bonds with attached warrants, the Company may receive proceeds of no more than RMB1,500 million from the issuance of convertible bonds with attached warrants. Upon completion of the issuance of convertible bonds with attached warrants, it is expected that the proceeds from the exercising of the attached warrants will not exceed RMB1,500 million. The total proceeds that Shenzhen Expressway can receive from the issuance of convertible bonds with attached warrants will not exceed RMB3,000 million, which will be totally invested in Shenzhen Nantou-Guangming Expressway Project (“Nanguang Expressway Project”).

The total proceeds from the issuance of convertible bonds with attached warrants amount to RMB1,500 million, the net proceeds of which after deduction of issuance expenses amount to RMB1,458,696,800. Upon completion of the issuance of convertible bond with attached warrants, only a small portion of the attached warrants were finally exercised and net proceeds of RMB930,400 were raised. Therefore, the total net proceeds from the issuance of convertible bonds with attached warrants amount to RMB1,459,627,200, which will be totally invested in Nanguang Expressway Project.

(IV) Transfer or replacement of the project invested with the proceeds from previous issuance

None.

(V) Explanation of idle proceeds from previous issuance

Proceeds from previous issuance have been used up and there are no idle proceeds.

III. EXPLANATION OF THE BENEFITS ACHIEVED BY THE PROJECTS INVESTED WITH PROCEEDS FROM PREVIOUS ISSUANCE

(I) Comparison of the benefits achieved by the projects invested with proceeds from previous issuance

Unit: RMB'0,000

| Actual investment project | | Cumulative capacity utilization of investment projects as of cut-off date | Benefits committed | Actual benefits in the last three years | | | Cumulative benefits achieved as of cut-off date | Expected returns achieved or not |
|---------------------------|---------------------|---|--------------------|---|-----------|-----------|---|----------------------------------|
| No. | Item | | | 2014 | 2015 | 2016 | | |
| 1 | Nanguang Expressway | - | - | 10,103.61 | 10,272.55 | 11,744.98 | 69,669.73 | - |
| Total | | | | 10,103.61 | 10,272.55 | 11,744.98 | 69,669.73 | - |

APPENDIX II REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

(II) Explanation why the benefits of any project invested with proceeds from previous issuance cannot be calculated separately

The benefits of any project invested with proceeds from previous issuance can be calculated separately.

(III) Explanation why the cumulative returns of projects invested with proceeds from previous issuance are lower than the returns committed by more than 20% (including)

The returns of the projects invested with proceeds from previous issuance are not committed.

IV. EXPLANATION OF THE PORTION OF PROCEEDS FROM PREVIOUS ISSUANCE USED TO SUBSCRIBE FOR SHARES

None of the proceeds from previous issuance was used to subscribe for shares.

V. EXPLANATION OF OTHER DIFFERENCES

Not applicable.

VI. CONCLUSION

The Board of Directors of the Company believes that the Company has used the proceeds from previous issuance in accordance with laws and regulations and the Company has fulfilled the obligation of disclosure in respect of the use, investment, changes and progress of the proceeds from previous issuance.

The Report on Use of Proceeds from Previous Issuance was prepared by the Company in accordance with the Provisions on the Report on the Use of Proceeds from Previous Fund Raising Activities (Z. J. F. X. Zi [2007] No. 500). All directors of the Company ensure that there are no false records, misleading statements or major omissions in this report, and undertake the individual and joint liabilities for the authenticity, accuracy and integrity of the content.

The following is the full text of Proposal on the Shareholder's Return for the Future Three Years (2017-2019) for the purpose of incorporation in this circular. The proposal was prepared in Chinese only and set out below is an English translation of such proposal. In case of any discrepancies between the Chinese and the English versions of this report, the Chinese version shall prevail.

PROPOSAL ON THE SHAREHOLDER'S RETURN FOR THE FUTURE THREE YEARS (2017-2019)

To further propel Shenzhen Expressway Company Limited (“**the Company**”) to establish a scientific, sustained and stable dividend payment mechanism, facilitate investors to form stable return on investment expectations and protect the legitimate rights and interests of investors, the Company has specially formulated “Shenzhen Expressway Company Limited Plan on Shareholder Returns in Next Three Years (2017-2019)” (“**the Plan**”), in accordance with Company Law of the People's Republic of China (“**Company Law**”), the Notice of the China Securities Regulatory Commission on Issues Relating to Further Implementation of Cash Dividends by Listed Companies, Guidelines No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies, other relevant laws, regulations and normative documents, as well as the Articles of Association of Shenzhen Expressway Company Limited (the “**Articles of Association**”) and other corporate governance provisions.

ARTICLE 1 MAIN CONSIDERATIONS FOR THE PLAN

The Company has formulated the Plan in the perspective of the long-term and sustainable development of the Company, with comprehensive consideration given to shareholders' return requirements and willingness, the Company's strategic development plan and actual development stage, current and future profitability and scale, financial status and cash flow status, capital demand, social capital costs, external industry policies, financing environment and many other factors. The Plan aims to establish a planning and mechanism for sustained, stable and scientific returns to investors, so as to ensure the continuity and stability of profit distribution policies.

ARTICLE 2 BASIC PRINCIPLES OF THE PLAN

The Plan should be formulated in accordance with the profit distribution provisions of relevant laws, regulations and normative documents, as well as the Articles of Association, with focus on investors' reasonable returns on investment and the Company's long-term interests, all shareholders' overall interests and the Company's sustainable development, in order to ensure the continuity and stability of the Company's profit distribution policies.

ARTICLE 3 PLAN ON SHAREHOLDER RETURNS IN NEXT THREE YEARS (2017-2019)

(I) The company's profit distribution policies for the next three years

1. Form of profit distribution

The Company distributes dividends in cash, stock, or both cash and stock, or other means permitted by laws and regulations.

2. *The Company's cash dividend conditions, proportion and interval*

Conditions and relevant provisions stipulated in the Articles of Association on dividend distribution in cash are as follows:

In principle, the Company carries out distribution of dividend in cash each year, if the available-for-distribution profit achieved by the Company in a year is positive and the Company's cash is sufficient, the distribution of dividend in cash will not affect the subsequent operation of the Company, and the audit institution has issued an unqualified audit report on the Company's annual financial report. The Company can carry out interim distribution of dividend in cash. The Company's annual profit distribution in cash shall not be less than 20% of the distributable profits realized in the current year and the Company's accumulated profit distribution in cash in three consecutive years shall not be less than 30% of the distributable profits realized in three years.

In the next three years (2017-2019), the Company will strive to increase the cash dividend ratio, and in the event that the financial and cash position is good and there are no major investment plans or cash expenses, the Company's planned profit distribution in cash shall not be less than 45% of the distributable profits realized in current year.

3. *Conditions for the Company's distribution of stock dividend*

According to the Company's annual profitability and performance growth, the Company can distribute stock dividends in the form of shares to ensure the Company's share capital scale matches the performance growth, on the premise that the above-mentioned cash dividend ratio is satisfied and the Company's equity structure and share capital scale are reasonable.

(II) Information disclosure about the implementation of corporate profit distribution policies

The Company shall disclose the formulation and implementation of the cash dividend policies in the periodic reports, indicate whether those policies meet the provisions of the Articles of Association or the resolutions of the general meeting, whether the dividend distribution standards and proportions are clear and explicit, whether relevant decision-making procedures and mechanisms are complete, whether independent directors have fulfilled their duties diligently and played their due role, whether minority shareholders have the opportunity to fully express their opinions and demands, and whether the legitimate rights and interests of minority shareholders are fully maintained.

(III) Adjustment to the Company's profit distribution policies

When it is necessary to adjust the Company's profit distribution policies due to the major changes in laws and regulations and the Company's business environment or condition, the Board of Directors of the Company shall, in the perspective of protecting shareholders' interests, formulate an adjustment proposal based on detailed demonstration, propose amendment to the Articles of Association accordingly, and submit the proposals to the general meeting for consideration in the form of special resolutions. Independent directors and the board of supervisors shall submit their opinions on the adjustment plan of the profit distribution policies. When profit distribution plan or relevant profit

distribution adjustment policies are submitted to the shareholders' meeting for consideration, the Company shall, through a variety of channels, actively communicate with shareholders, especially public shareholders, fully listen to the views and aspirations of shareholders, timely respond to the issues concerned about by shareholders and effectively safeguard shareholders' right to attend meetings of shareholders.

(IV) Supervision of the Company's profit distribution policies

Independent directors and the board of supervisors shall supervise the implementation of the profit distribution policies and programs and the decision-making procedures of the Company. Independent directors and the board of supervisors shall issue special opinions and explanation if the board of directors failed to formulate the profit distribution plan according to the Articles of Association, the profit distribution plan formulated violates the profit distribution policy of the Company, any decision was made in violation of the decision-making process or the profit distribution plan was not implemented according to the resolutions of the general meeting.

ARTICLE 4 DECISION-MAKING MECHANISM OF THE PLAN

The profit distribution plan of the Company shall, after adoption by the board of directors through voting, be submitted to the general meeting for consideration in the form of an ordinary resolution. In formulating the profit distribution plan, the board of directors shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividend distribution, the conditions for adjustment and the requirements of its decision-making procedures. In the event that the Company has realized significant special income but no corresponding cash inflows in a year, the board of directors may, based on detailed demonstration and explanation, propose the plan on dividend distribution according to a proportion lower than that stipulated in the Articles of Association, but it must be submitted to the general meeting for consideration in the form of a special resolution. Independent directors and the board of supervisors shall submit their opinions on profit distribution plan.

When it is necessary to adjust the established three-year return plan of the Company because the external business environment or the Company's own operation has undergone significant changes, new shareholder return plan should conform to the relevant provisions of laws, administrative regulations, departmental rules and normative documents. The adjustment to the return plan shall be proposed by the board of directors to general meeting to be considered in the form of a special resolution. Independent directors and the supervisory committee shall issue opinions on the adjustment to the return plan.

ARTICLE 5 ADJUSTMENT CYCLE OF THE PLAN

In principle, the Company shall assess shareholder return plan once every three years. The Company shall, on the basis of summing up the implementation of the Company's previous plan, fully consider the factors listed in Article 1 of the Plan and the opinions of shareholders (especially minority shareholders) and independent directors to determine whether the Company's future shareholder return plan needs to be adjusted according to the Articles of Association. If the Company's shareholder return plan needs to be

adjusted since the Company's sustainable operation has been affected due to significant changes in the external business environment or the impact of the existing plan, the Company may re-establish the future shareholder return plan according to the basic principles set out in Article 2 of the Plan.

ARTICLE 6 The Plan shall be interpreted by the Board of Directors of the Company. The outstanding matters of the Plan shall be resolved in accordance with relevant laws, regulations, rules, the relevant provisions of China Securities Regulatory Commission, and the "Articles of Association".

ARTICLE 7 The Plan shall come into force and be implemented from the date of consideration and approval by the general meeting of the Company.

**APPENDIX IV DILUTION OF CURRENT RETURNS BY THE PUBLIC
ISSUE OF THE A SHARE CONVERTIBLE BONDS
BY THE COMPANY AND THE REMEDIAL MEASURES**

The following is the full text of Dilution of Current Returns by the Public Issue of the A Share Convertible Bonds by the Company and the Remedial Measures for the purpose of incorporation in this circular. The report was prepared in Chinese only and set out below is an English translation of such report. In case of any discrepancies between the Chinese and the English versions of this report, the Chinese version shall prevail.

**DILUTION OF CURRENT RETURNS BY THE PUBLIC ISSUE
OF THE A SHARE CONVERTIBLE BONDS BY THE COMPANY
AND THE REMEDIAL MEASURES**

Shenzhen Expressway Company Limited (“**the Company**” or “**Company**”) plans to publicly issue A Share Convertible Corporate Bonds (hereinafter referred to “**A Share Convertible Bonds**”). Pursuant to the Opinions of the State Council on Further Promoting the Healthy Development of Capital Market (G. F. [2014] No. 17), the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Rights and Interests of Small and Medium Investors in Capital Market (G. B. F. [2013] No. 110), and the Guiding Opinions of CSRC in relation to matters relevant to Dilution of Current Returns by Initial Offering, Refinancing and Material Assets Reorganization (Z. J. H. G. G. [2015] No. 31), in order to protect small and medium investors’ right to know and their interests, the Company hereby report the possible effects brought about on the Company’s main financial indicators by the dilution of current returns by the public issue of the A Share Convertible Corporate Bonds and the relevant remedial measures adopted as follows:

**I. IMPACT ON THE COMPANY’S MAIN FINANCIAL INDICATORS BY THE DILUTION OF
CURRENT RETURNS BY THE PUBLIC ISSUE OF THE A SHARE CONVERTIBLE
CORPORATE BONDS**

(I) The main assumptions and prerequisites for the calculation of financial indicators

The following assumptions are only used to predict the impact of the dilution of current returns in the issue. Neither of them shall represent the judgment of the Company on the operation conditions and trend in 2017 and 2018 nor constitute profitability prediction. Investors shall not make determinations on investment based on the assumptions. Where any loss is caused to any investor in its investment due to reliance on the assumptions, the Company will bear no liability for compensation.

1. Assuming that no major adverse change occurs to the macroeconomic environment, industry development status and the Company’s operating environment.
2. Assuming that the Issue will be completed by December 31, 2017 and all holders of the A Share Convertible Corporate Bonds will complete share conversion by June 2018. The completion dates are only estimates by the Company. The completion date of Issue approved by China Securities Regulatory Commission (“**CSRC**”) and the actual date of share conversion completion by the Holders of the A Share Convertible Corporate Bonds shall prevail.

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3. Assuming that the proceeds from the Issue are the maximum amount of this issue program, the total proceeds from the Issue are RMB2.2 billion. Without considering the impact from the Issue expenses, the final issue quantity and total proceeds from the Issue shall be determined on the basis of the approval of China Securities Regulatory Commission.
4. Assuming the Company's net profit attributable to owners of parent company and net profit attributable to owners of parent company after deduction of non-recurring gains and losses in 2017 remain the same as in 2016, the Company's net profit attributable to owners of parent company and the net profit attributable to owners of parent company after deduction of non-recurring gains and losses in 2018 remain the same, have 5% and 10% increase respectively on the basis of the corresponding financial data in 2017.
5. Assuming the conversion price of the A Share Convertible Corporate Bonds is RMB9.74/share (the average trading price of the Company's A Share Convertible Corporate Bonds over 20 trading days before November 9, 2017 and the average trading price of previous day shall be integers; the conversion price is just simulated price and does not constitute the numerical forecast of the actual conversion price), without considering the impact of cash dividend distribution on the conversion price.
6. The impact of the proceeds generated from the Issue of A Share Convertible Bonds on the Company's production, operation and financial conditions (such as financial costs and capital use efficiency) is not considered.
7. Assuming that no other actions to be taken by the Company that may affect or potentially affect the total share capital of the Company except for the Issue of A Share Convertible Bonds.
8. The impact from bank interest generated before the use of the proceeds from the Issue and interest cost of the A Share Convertible Corporate Bonds are not considered.

(II) Impact on the Company's major financial indicators

The impact brought about on the Company's earnings per share by the dilution of current returns by the public issue of the A Share Convertible Corporate Bonds is as follows. Relevant indicators are calculated in accordance with relevant provisions of Rules on Information Disclosure by Companies

**APPENDIX IV DILUTION OF CURRENT RETURNS BY THE PUBLIC
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BY THE COMPANY AND THE REMEDIAL MEASURES**

Issuing Securities Publicly No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share:

| Item | 2017/December 31, 2017 | 2018/December 31, 2018 | |
|---|---------------------------|------------------------|------------------|
| | | All not converted | All converted |
| Total share capital | 2,180,770,326 | 2,180,770,326 | 2,406,643,016 |
| Assumption 1: The Company's net profit attributable to shareholders of the parent company after deduction of non-recurring gains and losses in the year 2017 and 2018 is consistent with the corresponding financial data for the year 2016. | | | |
| Net profit after deduction of non-recurring gains and losses (RMB Yuan) | 1,004,716,957.76 | 1,004,716,957.76 | 1,004,716,957.76 |
| Basic earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.46 | 0.44 |
| Diluted earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.42 | 0.42 |
| Assumption 2: The Company's net profit attributable to shareholders of the parent company after deduction of non-recurring gains and losses in the year 2017 is consistent with the corresponding financial data for 2016; the Company's net profit attributable to shareholders of the parent company after deduction of non-recurring gains and losses in 2018 has 5% increase compared with that in 2017. | | | |
| Net profit after deduction of non-recurring gains and losses (RMB Yuan) | 1,004,716,957.76 | 1,054,952,805.65 | 1,054,952,805.65 |
| Basic earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.48 | 0.46 |
| Diluted earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.44 | 0.44 |
| Assumption 3: The Company's net profit attributable to shareholders of the parent company after deduction of non-recurring gains and losses in the year 2017 is consistent with the corresponding financial data for the year 2016; the Company's net profit attributable to shareholders of the parent company after deduction of non-recurring gains and losses in the year 2018 has a 10% increase compared with that in 2017. | | | |
| Net profit after deduction of non-recurring gains and losses (RMB Yuan) | 1,004,716,957.76 | 1,105,188,653.54 | 1,105,188,653.54 |

**APPENDIX IV DILUTION OF CURRENT RETURNS BY THE PUBLIC
ISSUE OF THE A SHARE CONVERTIBLE BONDS
BY THE COMPANY AND THE REMEDIAL MEASURES**

| Item | 2017/December 31, 2017 | 2018/December 31, 2018 | |
|---|---------------------------|------------------------|---------------|
| | | All not converted | All converted |
| Basic earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.51 | 0.46 |
| Diluted earnings per share after deduction of non-recurring gains and losses (Yuan/share) | 0.46 | 0.46 | 0.46 |

II. RISK TIPS REGARDING THE DILUTION OF CURRENT RETURNS BY THE PUBLIC ISSUE OF THE A SHARE CONVERTIBLE CORPORATE BONDS

After part or all of the Company’s A Share Convertible Corporate Bonds held by investors are converted, the Company’s total share capital will increase accordingly. Since the project’s construction period is long and it will take certain period of time for the project to release profit, the Company may face the risk of dilution of earnings per share in a short time. In addition, if the Issue cannot achieve the expected benefits, it may lead to the Company’s earnings per share being diluted, thereby reducing the Company’s shareholder returns.

Investors are hereby reminded to pay attention to the risk of dilution of current returns by the Issue, and to be aware that the remedial measures formulated by the Company in response to the dilution does not equal to the Company’s guarantee for future profits. The Company will continue to disclose in the periodic reports the implementation of the remedial measures in response to the dilution of current returns by the Issue and the fulfillment of the commitments made by relevant entities.

III. NECESSITY AND RATIONALITY OF THE ISSUE

The proceeds of no more than RMB2.2 billion (including issue expenses) from the public issue of A Share Convertible Corporate Bonds will, after deduction of issue expenses, be totally invested in the construction of Shenzhen Outer Ring Expressway Shenzhen Section (Coastal Expressway – Shenshan Section) (“**Shenzhen Outer Ring Expressway Section A**”) project. The project invested with the proceeds from the Issue meets relevant national industrial policies and the Company’s strategic development direction, which is conducive to expanding the Company’s asset size, improving the Company’s future development space, and consolidating and improving the Company’s market share and market position.

(I) Improving the highway network in Guangdong Province, and promoting the rapid development of regional economy

As an important “horizontal” expressway among the “seven horizontal and thirteen vertical” highway network in Shenzhen, Shenzhen Outer Ring Expressway Section A will be a fast outer ring trunk in east-west direction in Shenzhen, but also a strengthened expressway in the “nine vertical, five

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horizontal and two rings” highway skeleton network in Guangdong Province in the future. The Expressway, as a fast east-west channel in the third ring of Shenzhen, has great significance in establishing and perfecting the outer rapid channel pattern of Shenzhen. It can effectively connect the main skeleton of the north and south expressways, and can give full play to the overall benefits of highway network. From the perspective of the overall economic efficiency of the society, the construction of Outer Ring Expressway, first of all, has a supporting role in the development and construction around the periphery of former core areas of Shenzhen, especially several city sub-centers such as Longgang, Pingshan New District, etc. Secondly, the project is under the cooperation of Shenzhen and Dongguan, so its construction will significantly improve the regional transportation situation and investment environment and has great significance in promoting the common prosperity of economy in Shenzhen, Dongguan and Huizhou.

(II) Expanding the Company’s main business and enhancing the Company’s capacity in future sustainable operation

Shenzhen Outer Ring Expressway Section A is a toll-collection highway project under the cooperation between the Company and Shenzhen Municipal Government. It can effectively realize a balance between the public interest attributes and the reasonable return on commercial investment of infrastructure, and achieve common success among the society, the government and the enterprise.

Through cooperation with the government to build the project, the Company can continue to supplement its main highway assets, improve the Company’s business structure, which can lay a good foundation for subsequent expansion and expand the Company’s assets, improve the future development space for the Company’s main business, and consolidate the Company’s market share in highway network in Shenzhen.

(III) Conducive to optimizing the capital structure, improve the financial situation and promoting future healthy expansion of the Company

The Company’s current debt ratio is high in the industry. The Company’s future industrial transformation requires a lot of capital investment. If relying solely on its own capital growth and debt development, the Company’s future debt ratio will rise further, and its financial status, credit rating and profitability will be largely affected. Based on the prediction of market interest rates and follow-up conversion, the Issue will effectively reduce the Company’s financial costs, and is expected to expand the size of net assets, consolidate the development base and improve the financial situation of the Company. The enhancement of the Company’s capital strength will help to enhance the Company’s operational capacity and long-term development capacity, and will promote the Company’s benign expansion in the future, in cooperation with the Company’s strategic transformation.

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IV. THE RELATIONSHIP BETWEEN THE PROJECT AND THE COMPANY'S CURRENT BUSINESS, AND THE COMPANY'S RESERVE OF PERSONNEL, TECHNOLOGY AND MARKET IN RESPECT OF THE PROJECT

(I) The relationship between the Project and the Company's current business

The Company's main business is the investment in, construction, operation and management of toll highways and roads. The Company regards "urban and transport infrastructure construction and operation service" as its main business, actively promotes the development of existing toll highways, and enhance the expansion of its main business in such four dimensions as investment, construction, operation and maintenance, to drive the development of its main business through such two wings as capital advantages and management capacity.

Shenzhen Outer Ring Expressway Section A project is a toll-collection highway project under the cooperation between the Company and Shenzhen Municipal Government, and it closely relates to the Company's current business. Through the project, the Company can further expand the scale of its assets, enhance the future development space for its main business, and consolidate its market share in highway network in Shenzhen.

(II) The Company's Reserve of Personnel, Technology and Market in Respect of the Project

Since its incorporation, the Company has invested in the construction and management of many expressways, accumulated rich experience in highway investment, construction, operation and management, and established a sound investment decision-making system, construction and operation management system. The Company's management team has many years of integrated management experience in highway investment and construction, has achieved excellent results and obtained honors in many fields, and can ensure the smooth implementation of Shenzhen Outer Ring Expressway Section A project.

V. THE COMPANY'S REMEDIAL MEASURES IN RESPONSE TO THE DILUTION OF CURRENT RETURNS BY THE PUBLIC ISSUE OF A SHARE CONVERTIBLE CORPORATE BONDS

In order to ensure the effective use of the proceeds from the Issue, effectively prevent the risk of dilution of current returns by the Issue and improve the Company's future continuous return capacity, the Company will, upon completion of the Issue, accelerate the progress of investment in the Project, enhance market development, and improve the management level, enhance the operating efficiency and improve the future earnings of the Company in order to mitigate the dilution of current returns by the Issue. The specific measures to be taken by the Company are as follows:

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(I) Strengthening internal control and management, improving operational efficiency and operational capacity

The Company will strictly abide by the requirements of laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Guidelines on Corporate Governance of Listed Companies, and constantly improve the Company's governance structure to ensure that shareholders can fully exercise their rights, the board of directors can exercise powers and make scientific, rapid and prudent decisions in accordance with laws, regulations and the Articles of Association and independent directors can seriously perform their duties. The Company will safeguard its overall interests, especially the legitimate rights and interests of minority shareholders, ensure that the board of supervisors can independently and effectively exercise the rights of supervision and inspection over directors, managers and other senior management personnel as well as the Company's finance, and provide system protection for the Company's development. The Company will further strengthen its management and internal control, comprehensively enhance the management level, and enhance the operation and management efficiency, and control operational and management risks.

(II) Strengthening management of the proceeds from the Issue and improving the efficiency of the use of the proceeds

The Company has formulated these Rules on the Management of Proceeds from Fund Raising Activities in accordance with relevant provisions of China Securities Regulatory Commission and Shanghai Stock Exchange, and formulated clear stipulations on the special account storage, use, and change of use, management and supervision of the proceeds from fund raising activities. To ensure the Company can normatively and effectively use the proceeds from fund raising activities, the Board of Directors of the Company will, after the proceeds from the Issue are available, continuously monitor the special storage of the proceeds from the Issue, ensure the proceeds are used for designated investment project, carry out internal audit over the proceeds regularly, cooperate with regulatory banks and sponsor institutions to check and supervise the use of the proceeds, to ensure the proceeds are used reasonably and normatively, and prevent the risks in the use of the proceeds.

The Company will, through effective use of the proceeds from the Issue, optimize its capital structure and strive to speed up the implementation of the Project and the release of project benefits, improve the future earnings and enhance the sustainable development capacity of the Company so as to mitigate the dilution of current returns by the Issue.

(III) Accelerating the investment progress of the Project to achieve the Project's expected benefits as soon as possible

The proceeds from the Issue will be mainly invested in Shenzhen Outer Ring Expressway Section A project, which conforms to national industrial policies and the Company's development strategies, and can bring good economic and social benefits. In order to achieve the Project's benefits as soon as possible, the Company will actively deploy resources and implement related work before the proceeds from the Issue are available. After the proceeds are available, the Company will accelerate the

**APPENDIX IV DILUTION OF CURRENT RETURNS BY THE PUBLIC
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investment and construction progress of the Project, and timely and efficiently complete the construction of the Project, to ensure that the Project can be completed and achieve expected benefits as soon as possible.

(IV) Strengthening the operation and management and enhancing market development to achieve sustained and stable growth of the Company's performance

The Company will continue to strengthen the operation and management of existing toll highways, improve service efficiency, deepen road network marketing, and actively attract traffic. In addition, the Company will strengthen road maintenance and management, try to control costs while improving the road traffic environment, and strive to enhance the profitability of existing projects. In addition, by virtue of the rich experience in the industry, the Company will actively seek market opportunities for intensive growth, and grasp good investment opportunities to promote the continuous and stable growth of the Company's performance.

(V) Strictly implementing the Company's profit distribution policy to protect the interests of the Company's shareholders

The Company has formulated and refined the profit distribution terms of the Articles of Association in accordance with relevant provisions of the Notice of China Securities Regulatory Commission on Issues Relating to Further Implementation of Cash Dividends by Listed Companies, the Guidelines No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies and the Guidelines on the Cash Dividends of the Companies Listed at Shanghai Stock Exchange. The Company attaches great importance to the reasonable returns to investors and has formulated the "Proposal on the Shareholder's Return for the Future Three Years (2017-2019)". After the Issue, the Company will implement active profit distribution policy in accordance with relevant laws and regulations, pay attention to maintaining continuity and stability, and strive to strengthen shareholder returns, earnestly safeguard the legitimate rights and interests of investors and protect the interests of the Company's shareholders.

VI. UNDERTAKINGS BY DIRECTORS AND SENIOR MANAGEMENT ON THE REMEDIAL MEASURES FOR THE DILUTION OF CURRENT RETURNS OF THE COMPANY BY THE PUBLIC ISSUE OF THE A SHARE CONVERTIBLE BONDS

The directors and senior management of the Company make the following undertakings on the performance of the remedial measures for returns in accordance with relevant provisions of the CSRC:

- (1) They will neither convey any interest to any other unit or individual based on unpaid or unfair conditions nor harm the interests of the Company by other means;
- (2) They will bind their consumption behavior by the convenience of their titles;

**APPENDIX IV DILUTION OF CURRENT RETURNS BY THE PUBLIC
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- (3) They will not get involved in any investment or consumption activity that has nothing to do with their responsibility fulfillment by using the assets of the Company;
- (4) The remuneration system formulated by the Board of Directors or the remuneration committee will link the implementation of the return filling measures taken by the Company;
- (5) If any equity incentive policy is promulgated by the Company, the right exercise conditions for equity incentive of the Company proposed to be issued will link the implementation of the return filling measures taken by the Company.

The director or senior management shall assume relevant liabilities specified by law in accordance with relevant provisions of securities regulatory institutions, if any of them violates, fails to perform or fails to completely perform the above undertakings.

VII. UNDERTAKINGS OF THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER OF THE COMPANY ON THE REMEDIAL MEASURES FOR THE DILUTION OF CURRENT RETURNS OF THE COMPANY BY THE PUBLIC ISSUE OF THE A SHARE CONVERTIBLE BONDS

The controlling shareholder and actual controller of the Company make the following undertakings on the performance of the remedial measures for returns in accordance with relevant provisions of the CSRC:

- (1) They will never overstep their authorities to intervene in the business management activities of the Company;
- (2) They will never infringe the interests of the Company.

**UNDERTAKINGS BY THE CONTROLLING SHAREHOLDER,
ACTUAL CONTROLLER, DIRECTORS AND SENIOR MANAGEMENT OF
THE COMPANY ON THE ACTUAL PERFORMANCE OF THE REMEDIAL
MEASURES FOR THE DILUTION OF CURRENT RETURNS OF THE COMPANY**

The following are the full texts of Undertakings by the Controlling Shareholder and Actual Controller of the Company on the Performance of the Remedial Measures for the Dilution of Current Returns of the Company by the Public Issue of the A Share Convertible Bonds and Undertakings by the Directors and Senior Management of the Company on the Performance of the Remedial Measures for the Dilution of Current Returns of the Company by the Public Issue of the A Share Convertible Bonds for the purpose of incorporation in this circular. The undertakings were prepared in Chinese only and set out below are English translation of such undertakings. In case of any discrepancies between the Chinese and the English versions of these undertakings, the Chinese version shall prevail.

**UNDERTAKINGS BY THE DIRECTORS AND SENIOR MANAGEMENT OF
SHENZHEN EXPRESSWAY COMPANY LIMITED ON THE PERFORMANCE
OF THE REMEDIAL MEASURES FOR THE DILUTION OF CURRENT
RETURNS OF THE COMPANY BY THE PUBLIC ISSUE OF THE A SHARE
CONVERTIBLE BONDS**

The directors and senior management of the Company have made the following undertakings on the performance of the remedial measures for the dilution of current returns of the Company by the public issue of the A Share convertible bonds in accordance with relevant provisions of China Securities Regulatory Commission:

- (1) They will neither convey any interest to any other unit or individual based on unpaid or unfair conditions nor harm the interests of the Company by other means;
- (2) They will bind their consumption behavior by the convenience of their titles;
- (3) They will not get involved in any investment or consumption activity that has nothing to do with their responsibility fulfillment by using the assets of the Company;
- (4) The remuneration system formulated by the Board of Directors or the remuneration committee will link the implementation of the return filling measures taken by the Company;
- (5) If any equity incentive policy is promulgated by the Company, the right exercise conditions for equity incentive of the Company proposed to be issued will link the implementation of the return filling measures taken by the Company.

The director or senior management shall assume relevant liabilities specified by law in accordance with relevant provisions of securities regulatory institutions, if any of them violates, fails to perform or fails to completely perform the above commitments.

Directors and Senior Management of Shenzhen Expressway Company Limited
**Hu Wei, Wu Ya De, Wang Zeng Jin, Liao Xiang Wen, Zhao Jun Rong, Tse Yat Hong
Liu Ji, Chen Yuan Jun, Au Sing Kun, Lin Chu Chang, Hu Chun Yuan, Cai Shu Guang
Sun Ce, Huang Bi Nan, Wen Po Wei, Gong Tao Tao, Luo Kun**

9 November 2017

**UNDERTAKINGS BY THE CONTROLLING SHAREHOLDER AND ACTUAL
CONTROLLER OF SHENZHEN EXPRESSWAY COMPANY LIMITED ON THE
PERFORMANCE OF THE REMEDIAL MEASURES FOR THE DILUTION OF
CURRENT RETURNS OF THE COMPANY BY THE PUBLIC ISSUE OF THE A
SHARE CONVERTIBLE BONDS**

The controlling shareholder and actual controller of the Company have made the following undertakings on the performance of the remedial measures for the dilution of current returns of the Company by the public issue of the A Share convertible bonds in accordance with relevant provisions of the CSRC:

- (1) They will never overstep their authorities to intervene in the business management activities of the Company;
- (2) They will never infringe the interests of the Company.

**Xin Tong Chan Development (Shenzhen) Company Limited,
Shenzhen International Holdings Limited**

9 November 2017

The following is the full text of Term of A Share Convertible Corporate Bondholders' Meeting for the purpose of incorporation in this circular. The term was prepared in Chinese only and set out below is an English translation of such term. In case of any discrepancies between the Chinese and the English versions of this term, the Chinese version shall prevail.

**TERM OF A SHARE CONVERTIBLE
CORPORATE BONDHOLDERS' MEETING**

Chapter 1 General Provisions

- Article 1** To regulate the organization and conduct of the Convertible Corporate Bondholders' Meeting of Shenzhen Expressway Company Limited ("**Company**"), define the rights and obligations of the Bondholders' Meeting and guarantee the legitimate rights and interests of the Bondholders, the Rules on A Share Convertible Corporate Bondholders' Meeting ("the **Rules**") are hereby formulated in consideration of the Company's actual situation and in accordance with Company Law of the PRC, Securities Law of the PRC, Measures on the Administration of Issuance of Securities by Listed Companies issued by China Securities Regulatory Commission ("**CSRC**"), Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and other relevant laws, regulations and normative documents.
- Article 2** The Convertible Corporate Bonds under the Rules are the A Share Convertible Corporate Bonds issued by the Company in accordance with the Prospectus of Shenzhen Expressway Company Limited on Public Issuance of A Share Convertible Corporate Bonds ("**Convertible Bond Prospectus**") ("**Convertible Bonds**"), and the Bondholders are investors who acquire the Convertible Bonds by way of subscription, purchase or other legal means.
- Article 3** The Bondholders' Meeting shall consist of all the bondholders in accordance with the Rules and shall be convened in accordance with the procedures prescribed in the Rules. The Bondholders' Meeting shall consider and vote on the matters within the scope of rights prescribed in the Rules in accordance with the law.
- Article 4** The resolutions adopted by the Bondholders' Meeting in accordance with the Rules shall be equally binding on all Bondholders (including all Bondholders who attend the Meeting, those who are not present at the Meeting, those who oppose the resolutions or give up their right to vote, and those who will be assigned with the Convertible Bonds after the adoption of relevant resolutions).
- Article 5** Investors who subscribe for, hold or are assigned with the Convertible Bonds shall be deemed to have agreed to all the provisions of the Rules and shall be bound by the Rules.

Chapter 2 Rights and Obligations of Bondholders**Article 6** Rights of Convertible Corporate Bondholders:

- (1) To enjoy the agreed upon interest in accordance with the amount of convertible bonds held by them;
- (2) To convert the convertible bonds held into the Company's A shares in accordance with the terms and conditions stipulated in the Convertible Bonds Prospectus;
- (3) To exercise the right of repurchase under the conditions agreed upon in the Convertible Bonds Prospectus;
- (4) To transfer, donate or pledge the convertible bonds held by him/her in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- (5) To obtain relevant information in accordance with the provisions of the law and the Articles of Association of the Company;
- (6) To require the Company to pay the principal and interest of the convertible bonds in accordance with the terms and conditions stipulated in the Convertible Bonds Prospectus;
- (7) To exercise other rights conferred by laws, administrative regulations and the Articles of Association to them as the Company's creditors.

Article 7 Obligations of Convertible Corporate Bondholders:

- (1) To comply with the relevant provisions of the terms of the convertible bonds issued by the Company;
- (2) To pay the subscription funds in accordance with the amount of the convertible bonds subscribed by them;
- (3) To comply with the effective resolutions of the Bondholders' Meeting;
- (4) Bondholders shall not require the Company to pay the principal and interest of the convertible bonds in advance, except as stipulated in laws, regulations and Convertible Bonds Prospectus.
- (5) To bear other obligations that shall be borne by the holders of the convertible bonds as required by laws, administrative regulations and the Articles of Association.

Chapter 3 Permission Scope of Bondholders' Meeting

Article 8 Permission scope of Bondholders' Meeting is as follows:

- (1) To make resolutions on whether to approve the Company's proposal, when the Company proposed to modify the plan stipulated in the Convertible Bonds Prospectus;
- (2) To make resolutions on whether to approve relevant solutions if the Company failed to pay the principal and interest of the convertible bonds on time;
- (3) To make resolutions on whether to accept the proposal made by the Company and exercise the right enjoyed by Bondholders, when the Company reduces its capital (other than the reduction of capital resulting from the repurchase of shares for equity incentive), merges, separates, dissolves or applies for bankruptcy;
- (4) To make resolutions on exercising the right enjoyed by Bondholders, when any event that has material impact on the equity or Bondholders occurred;
- (5) To make resolutions on the revision of the Rules within the scope prescribed by laws, administrative regulations and normative documents;
- (6) To make resolutions in other circumstances where Bondholders' Meeting shall do so as required by laws, administrative regulations and normative documents, or the Rules.

Chapter 4 Convening of Bondholders' Meeting

Article 9 Bondholders' Meeting shall be convened by the board of directors of the Company. The Board of Directors of the Company shall convene a Bondholders' Meeting within 30 days after proposing convening or receiving a proposal to convene a Bondholders' Meeting. The notice of the Meeting shall be issued to all Bondholders and the persons concerned 15 days before the Meeting is convened.

Article 10 A Bondholders' Meeting shall be convened in any of the following circumstances for the duration of the Convertible Bonds:

- (1) The Company intends to modify Convertible Bonds Prospectus;
- (2) The Company cannot pay the principal and interest of the convertible bonds on schedule;
- (3) The Company reduces its capital (other than the reduction of capital resulting from the repurchase of shares for equity incentive), merges, separates, dissolves or applies for bankruptcy;
- (4) Other matters affecting the significant interests of Bondholders.

Article 11 Within 15 days after the occurrence of the matter as stipulated in Article 10 of the Rules, those Bondholders individually or collectively holding more than 10% of the outstanding principal of the Convertible Bonds and the Company's Board of Directors may propose in writing to convene a Bondholders' Meeting.

Article 12 Within 20 days after those Bondholders individually or collectively holding more than 10% of the outstanding principal of the Convertible Bonds propose in writing to convene a Bondholders' Meeting to the Board of Directors, the said Bondholders shall be entitled to issue a notice through announcement on holding a Bondholders' Meeting, provided that the Board of Directors fails to fulfill its duties in accordance with the Rules.

Article 13 After the notice of Bondholders' Meeting is issued, it is not allowed to modify the convening time or cancel the Meeting, or modify the proposals listed in the notice of the Meeting, except in force majeure circumstances. If it is necessary to do so in a force majeure circumstance, the convener shall notify all Bondholders through announcement at least 5 trading days prior to the original convening time but shall not thereby modify the date for registration of creditor's rights. The supplementary notice of Bondholders' Meeting shall be announced in the same designated media as that for the notice of the Meeting.

After the notice of Bondholders' Meeting is issued, if the proposed matters for resolution are eliminated the convener may cancel the Bondholders' Meeting and explain the reasons through announcement.

Article 14 The convener of Bondholders' Meeting shall announce the notice of the Meeting in the media designated by the CSRC. The notice of Bondholder's Meeting shall include the following content:

- (1) Time, place, convener and voting manner of the Meeting;
- (2) Matters submitted for consideration in the Meeting;
- (3) With the obvious statement that all holders of the convertible bonds have the right to attend a Bondholders' Meeting and may entrust proxies to attend the Meeting and vote on behalf of them;
- (4) The date for registration of creditor's rights by those Bondholders who are entitled to attend Bondholders' Meeting;
- (5) Files and procedures necessitated by the Meeting for the participants, including but not limited to the power of attorney to the proxy attending the Meeting;
- (6) The name of the convener and the name and telephone number of the permanent contact for meetings.
- (7) Other particulars the convener need to notify.

Article 15 The date for registration of creditor's rights by Bondholders shall not be 10 days earlier or 3 days later than the convening date of Bondholders' Meeting. The holders of the outstanding convertible bonds registered on the custody list of the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited or other institutions under the applicable law upon the closing date of the registration of creditor's rights are the Bondholders entitled to attend Bondholders' Meeting.

Article 16 The Bondholders' Meeting shall, in principle, be held at the place of residence of the Company. The venue of the Meeting shall be provided by the Company or the convener of the Bondholders' Meeting.

Article 17 If the Company issues a notice on convening a Bondholders' Meeting, the Company shall be the convener. If those Bondholders individually or collectively holding more than 10% of the total face value of the outstanding convertible bonds issues a notice on convening a Bondholders' Meeting, they shall be the convener of the Meeting. If multiple Bondholders collectively holding more than 10% of the total face value of the outstanding convertible bonds issues a notice on convening a Bondholders' Meeting, they shall recommend a Bondholder as the convener.

Article 18 While convening a Bondholders' Meeting, the convener shall hire a lawyer to issue legal advices on the following matters:

- (1) Whether the convening of and the procedures for convening a Bondholders' Meeting meets laws, regulations and the Rules;
- (2) Whether the qualifications of the persons attending the Meeting and the convener are lawful and valid;
- (3) Whether the voting procedure and the voting results are lawful and valid;
- (4) To issue legal advices on other relevant matters upon the request of the convener.

Chapter 5 Proposals and Attendees of Bondholders' Meeting and Their Rights

Article 19 The proposals submitted to Bondholders' Meeting shall be drafted by the convener. The content of the proposals shall conform to the provisions of laws and regulations, be within the permission scope of the Meeting, and have clear issues and specific matters for resolution.

Article 20 Bondholders individually or collectively holding more than 10% of the total face value of the outstanding convertible bonds shall have the right to submit an interim proposal to Bondholders' Meeting. The Company and its related parties may participate in Bondholders' Meeting and submit interim proposals. The interim proposer shall submit the interim proposal with complete content to the convener no later than 10 business days prior to the convening of the Bondholders' Meeting. The convener shall issue a supplementary notice on the Meeting within 5 business days upon receipt of the interim proposal, and announce the name or the

proposer, the proportion of creditor's rights held by it and the content of the interim proposal. The supplementary notice shall be announced in the same designated media together with the notice of the Meeting.

In addition to the circumstances specified in the preceding paragraph, the convener shall not modify the proposals already set forth in the notice of a Bondholders' Meeting or add new proposals after the notice is issued. The proposals not included in the notice of the Meeting (including the supplementary notice about interim proposals) or the proposals which do not meet the requirements of the Rules shall not be voted on and resolved.

Article 21 A Bondholders may attend the Bondholders' Meeting personally and vote, or entrust a proxy to attend and vote on its behalf.

The following institutions or persons may attend the Bondholders' Meeting and submit proposal at the Meeting for discussion, but have no right to vote:

- (1) The issuer of the bond;
- (2) Other important related parties.

Article 22 When a Bondholder attends the Bondholders' Meeting personally, he/she shall provide his/her identity document and the securities account card of the outstanding convertible bonds or other supporting documents as prescribed by applicable law. If the legal representative or person in charge of a Bondholder attends the Bondholders' Meeting, it shall provide identity documents, the valid proof of legal representative or person in charge, the securities account card of the outstanding convertible bonds and other supporting documents as prescribed by applicable law.

If a Bondholder entrusts a proxy to attend the Bondholders' Meeting, the proxy shall provide his/her identity document and letter of authorization issued by the Bondholder (or its legal representative or person in charge), the identity documents of the Bondholder, the securities account card of the outstanding convertible bonds or other supporting documents as prescribed by applicable law held by the Bondholder.

Article 23 The foregoing letter of authorization shall state the following:

- (1) The name and ID number of the proxy;
- (2) The powers of the proxy, including but not limited to the right to vote;
- (3) Instructions for agreeing, objecting or abstaining from voting on each of the matters included in the agenda of a Bondholders' Meeting;
- (4) The issuance date and expiry date of the power of attorney to the proxy;
- (5) The signature or seal of the principal.

The power of attorney shall state whether a bond holder's proxy may vote according to his/her own will, if the bond holder does not make specific instructions. The letter of authorization shall be sent to the convener of the Bondholders' Meeting 2 business days before the Meeting is convened.

Article 24 The convener and the solicitor shall, in accordance with the register of the holders of the Convertible Bonds as of the closing date of registration of creditor's rights provided by the securities registration and settlement institution, jointly verify the qualifications and legitimacy of the Bondholders attending the Bondholders' Meeting, and record the Bondholders attending the Meeting, the name of their proxies and number of convertible bonds held by them with voting rights.

The foregoing register of Bondholders shall be obtained from the securities registration and settlement institution by the Company and be provided to the convener free of charge.

Chapter 6 Convening of Bondholders' Meeting

Article 25 Bondholders' Meeting may be convened on site or through Internet or communication.

Article 26 Bondholders' Meeting shall be chaired and presided over by the authorized representative appointed by the Board of Directors to attend the Meeting. In the event that the Board of Directors of the Company fails to perform its duties, a Bondholder (or its proxy) elected by the Bondholders (or proxies thereof) present at the Bondholders' Meeting who represent a majority of the voting rights may serve as the chairman of the Meeting and preside over the Meeting. If a moderator cannot be elected within 1 hour after the start of the Meeting, the Bondholder (or its proxy) attending the Meeting with the maximum voting rights represented by outstanding convertible bonds shall serve as the chairman of the Meeting and preside over the Meeting.

Article 27 On the request of the Bondholders individually or collectively holding more than 10% of the total face value of the outstanding convertible bonds, the Company shall appoint a director, supervisor or senior management to attend the Bondholders' Meeting. The director, supervisor or senior management of the Company who attend the Bondholders' Meeting shall make replies or explanations to the queries and suggestions made by Bondholders, except where it involves the Company's trade secrets or restrictions by applicable laws and the disclosure requirements of listed companies.

Article 28 The chairman of the Meeting shall make the signature list of the persons attending the Meeting. The register shall indicate the name of the Bondholders attending the Bondholders' Meeting, name and ID number of proxies, the total face value of the outstanding convertible bonds held or represented by them, the number of the securities account card held by them, or other supporting documents as prescribed by applicable laws.

The registration of the Meeting shall be terminated before the Meeting moderator announces the number of bond holders and proxies attending the Meeting and the total number of the convertible bonds held or represented by them.

Article 29 The directors, supervisors and senior management of the Company may attend the Bondholders' Meeting.

Article 30 The chairman of the Meeting shall have the right to adjourn, to resume and to change the place of the Meeting, with the consent of the Meeting. The chairman of the Meeting shall revise the Meeting time and change the Meeting place according to the resolutions adopted by the Meeting. Meetings resumed after being adjourned shall not make resolutions on matters beyond the scope of original proposals.

Chapter 7 Voting, Resolutions and Minutes of Bondholders' Meeting

Article 31 Each proposal submitted to Bondholders' Meeting shall be voted on by Bondholders who are entitled to attend the Meeting or their duly authorized proxies. Each of the outstanding bonds (face value of RMB100) has one vote.

Article 32 The matters to be considered or the items included in the same matter to be considered shall be considered and voted on separately. Except where a Bondholders' Meeting is suspended or where resolutions cannot be made due to force majeure or other special reasons, the Bondholders' Meeting shall not put aside or not to vote on any proposal contained in the Meeting notice. If the Bondholders' Meeting has different proposals on the same matter, they shall be voted on and resolved in the chronological order under which they are submitted. The Bondholders' Meeting shall not vote on any unannounced matter. When the Bondholders' Meeting considers the proposed matters, it is not allowed to modify any proposed matter, and any modification to proposed matters shall be deemed as a new proposed matter which shall not be voted on at the current Meeting.

Article 33 The Bondholders' Meeting shall vote by open ballot.

When Bondholders or their proxies vote on any proposed matter, they can only vote to indicate: approval or opposition or abstention. The voting results of the ballots not filled out, or filled out incorrectly or with unrecognizable handwriting shall be counted as invalid vote and shall not be included in the voting results. Any un-recovered votes shall be deemed as abstention and shall not be included in the voting results.

Article 34 The following Bondholders may express their views at the Bondholders' Meeting but shall have no right to vote. The number of convertible bonds represented by them shall not be included in the number of convertible bonds held by Bondholders attending the Bondholders' Meeting:

- (1) The Bondholder is a shareholder of the Company who holds more than 5% of the shares of the Company;
- (2) The shareholders and the related parties of the Company.

Article 35 The Bondholders' Meeting shall have two counting witness who shall be responsible for counting and supervising the counting of votes. The scrutineers shall be recommended by the chairman of the Meeting and served by the Bondholder (or its proxy) attending the Meeting. The Bondholders and their proxies associated with the Company shall not act as scrutineers.

The voting on each proposed matter shall be attended by at least two Bondholders (or their proxies) together with an authorized representative of the Company, and the result of the voting shall be published on the spot. The lawyer is responsible for witnessing the voting process.

Article 36 The chairman of the Meeting shall confirm whether any resolution of the Meeting has been adopted according to the voting results and shall announce the result of the voting at the Meeting. The voting results of the resolutions shall be recorded in the minutes of the Meeting.

Article 37 If the chairman of the Meeting has any doubt about the result of the resolution submitted for voting, the ballots may be recounted; where the chairman does not propose recounting the ballots, the bond holders (or their proxies) attending the Meeting may immediately request re-counting the ballots after the voting result is announced, if they have doubts about the result announced by the chairman, while the chairman shall immediately organize the re-counting of the ballots.

Article 38 Except as otherwise provided in the Rules, the resolutions made by Bondholders shall be subject to the consent of more than one-half of the Bondholders (or their proxies) who are present at the Bondholders' Meeting with voting parties.

Article 39 The resolutions of Bondholders' Meeting shall come into force on the date when they are adopted, but those that require the approval of the competent authority shall be effective upon the approval of the competent authority. In accordance with the relevant laws and regulations, the provisions of the Convertible Bonds Prospectus and the provisions of the Rules, the resolutions of Bondholders adopted by voting shall be binding on all Bondholders (including those who did not attend the Meeting or expressed different opinions).

Except where laws, regulations, rules or Convertible Bond Prospectus expressly stipulate that a resolution made by Bondholders shall be binding on the Company, if any resolution relating to the Convertible Bonds results in changes to the relationship between the Company and Bondholders:

- (1) The resolution shall be binding on the Company and all Bondholders after it is adopted by Bondholders' Meeting through voting and approved in writing by the Company, provided that the resolution is made according to the proposal of Bondholders;
- (2) The resolution shall be binding on the Company and all Bondholders after it is adopted by Bondholders' Meeting, provided that the resolution is made according to the proposal of the Company.

Article 40 The convener of Bondholders' Meeting shall announce the resolutions in the media designated by the supervisory authority within 2 trading days after the date when resolutions are made by the Bondholders' Meeting. The announcement shall include the date, time, place, manner, convener and moderator of the Meeting, the number of Bondholders and proxies attending the Meeting, and the number of Convertible Bonds represented by Bondholders and proxies attending the Meeting and its proportion to the total number of Convertible Bonds, the voting results of each proposed matter and the content of resolutions adopted.

Article 41 Bondholders' Meeting shall have minutes. The minutes shall contain the following contents:

- (1) Time, place, agenda and the name of convener of the Meeting;
- (2) The names of the moderator and attendees of the Meeting, as well as names of witnessing lawyers, scrutineers and the enumerator;
- (3) The number of Bondholders and proxies attending the Meeting, and the number of Convertible Bonds represented by Bondholders and proxies attending the Meeting and its proportion to the total number of Convertible Bonds of the Company.
- (4) The key points for each proposed matter;
- (5) The voting results of each matter for resolution;
- (6) The query opinions and suggestions of Bondholders and the answers or explanations of the directors, supervisors or senior management of the Company;
- (7) Other content which shall be included into the meeting records as required by laws, administrative regulations, normative documents and Bondholders' Meeting.

Article 42 The convener and moderator of the Meeting shall ensure that the content of the Meeting minutes is true, accurate and complete. The records of a Bondholders' Meeting shall be signed by the Meeting moderator, the convener (or his/her delegate), the recorder and the scrutineers. The records and votes of a Bondholders' Meeting, the register of attendees, letter of authorization, legal opinions issued by lawyers and other Meeting documents shall be kept by the Board of Directors for a period of 10 years.

Article 43 The convener shall ensure that the Bondholders' Meeting is conducted continuously until final resolutions are formed. If a Bondholders' Meeting is suspended or cannot be convened or if resolutions cannot be made at a Bondholders' Meeting due to force majeure or other accidents, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the Meeting, with an announcement made promptly.

Article 44 The Board of Directors of the company shall strictly implement the resolutions of the Bondholders' Meeting, represent Bondholders to promptly communicate with relevant parties on relevant resolutions, and supervise the specific implementation of resolutions of the Bondholders' Meeting.

Chapter 8 Supplementary Provisions

Article 45 The Rules shall not be modified, unless laws, administrative regulations and normative documents otherwise stipulate on the Rules of Convertible Bondholders' Meeting.

Article 46 Announcements under the Rules shall be publicized on the websites of the Shanghai Stock Exchange and the information disclosure media designated by the Company.

Article 47 The term "above" and "within" as mentioned in the Rules shall include the figure concerned, while the term "over", "below" and "more than" shall not include the figure concerned.

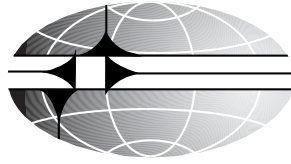
Article 48 The term "outstanding convertible bonds" referred to in the Rules means all issued convertible bonds other than the following bonds:

- (1) The bonds on which the principal and interest have been paid;
- (2) The bonds whose principal redemption date has expired, the redemption amount of which has been paid by the Company to the proxy and the principal and interest on which have been available to be redeemed by Bondholders. The redemption amount includes any interest and principal payable on the basis of the terms of the bonds as at the date of the principal redemption;
- (3) The bonds that have been converted into the Company's A shares;
- (4) The bonds that the Company has repurchased and canceled under the agreed terms.

Article 49 In the event of any dispute relating to the legality and validity of the convening, voting procedures and resolutions of the Bondholders' Meeting, it shall be resolved through litigation in the people's court with jurisdiction over the domicile of the Company.

Article 50 The Rules shall become effective from the date of official issuance of the Company's A Share Convertible Corporate Bonds after being adopted by the Shareholders' General Meeting of the Company. The Rules shall be interpreted by the Board of Directors of the Company.

NOTICE OF THE EGM



深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING 2017

Notice is hereby given that the First Extraordinary General Meeting 2017 (the “EGM”) of Shenzhen Expressway Company Limited (the “**Company**”) will be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC at 9 a.m. on Thursday, 28 December 2017 to consider and, if thought fit, pass the following resolutions 1-7 and 9-12 by way of **ordinary resolution** and resolution 8 by way of **special resolution**:

1. To consider and approve the resolution in relation to the satisfaction of the requirements for the public issue of the A Share Convertible Bonds by the Company;
2. To consider and approve the resolution in relation to the feasibility analysis report on the use of proceeds from the public issue of the A Share Convertible Bonds by the Company;
3. To consider and approve the resolution in relation to the report of the use of proceeds previously raised by the Company;
4. To consider and approve the resolution in relation to the Company’s proposal on the Shareholders’ return for the future three years (2017 to 2019);
5. To consider and approve the resolution in relation to the dilution of current returns by the public issue of the A Share Convertible Bonds by the Company and the remedial measures;
6. To consider and approve the undertakings by the controlling shareholder, actual controller, directors and senior management of the Company on the actual performance of the remedial measures for the dilution of current returns of the Company;
7. To consider and approve the resolution in relation to the term of A Share Convertible Bonds holders’ meeting;
8. To consider and approve by way of separate resolutions in relation to the proposal of the public issue of the A Share Convertible Bonds by the Company:
 - 8.01 Type of securities to be issued;
 - 8.02 Issue size;

NOTICE OF THE EGM

- 8.03 Par value and issue price;
 - 8.04 Term of bond;
 - 8.05 Interest rate of bond;
 - 8.06 Method and timing of interest payment;
 - 8.07 Conversion period;
 - 8.08 Determination of the number of conversion shares;
 - 8.09 Determination of the Conversion Price;
 - 8.10 Adjustment to the Conversion Price;
 - 8.11 Downward adjustment to the Conversion Price;
 - 8.12 Terms of redemption;
 - 8.13 Terms of sell back;
 - 8.14 Dividend rights of the conversion year;
 - 8.15 Method of issuance and target investors;
 - 8.16 Subscription arrangement for existing A shareholders;
 - 8.17 Relevant matters on A Share Convertible Bonds holders' meetings;
 - 8.18 Use of proceeds;
 - 8.19 Management and deposit of proceeds;
 - 8.20 Guarantee;
 - 8.21 Validity period of the resolutions;
 - 8.22 Matters relating to authorization.
9. To consider and approve the remuneration of the eighth session of the board of directors and the supervisory committee of the Company and the board of directors of the Company be authorised to approve directors' service contracts and other relevant documents; and any executive director be authorised to sign on behalf of the Company all relevant contracts and other relevant documents and to deal with all other necessary relevant matters in connection therewith.

NOTICE OF THE EGM

10. To consider and approve the re-election or appointment (if applicable) of the following candidates as the directors of the eighth session of the board of directors of the Company:

10.01 Mr. Hu Wei;

10.02 Mr. Liao Xiang Wen;

10.03 Ms. Gong Tao Tao;

10.04 Mr. Liu Ji;

10.05 Ms. Chen Yan;

10.06 Mr. Fan Zhi Yong;

10.07 Mr. Wu Ya De;

10.08 Mr. Chen Yuan Jun.

The term of office of each of the above directors commences on 1 January 2018 and ends on 31 December 2020.

11. To consider and approve the re-election or appointment (if applicable) of the following candidates as the independent non-executive directors of the eighth session of the board of directors of the Company:

11.01 Mr. Hu Chun Yuan;

11.02 Mr. Cai Shu Guang;

11.03 Mr. Wen Zhao Hua;

11.04 Ms. Chen Xiao Lu.

The term of office of each of the above independent non-executive directors commences on 1 January 2018 and ends on 31 December 2020, the candidacy of who is effective only after it has been examined and has not been objected by the Shanghai Stock Exchange.

12. To consider and approve the re-election or appointment (if applicable) of the following candidates as the shareholders' representative supervisors of the eighth session of the supervisory committee of the Company:

12.01 Mr. Wang Zeng Jin;

12.02 Ms. Ye Jun.

NOTICE OF THE EGM

The term of office of each of the above supervisors commences on 1 January 2018 and ends on 31 December 2020.

By Order of the Board
Hu Wei
Chairman

Shenzhen, the PRC, 13 November 2017

Notes:

1. Eligibility for attending the EGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 27 November 2017 shall have the right to attend the EGM after complying with the necessary registration procedures.

2. Registration procedures for attending the EGM

- i. Shareholders intending to attend the EGM should deliver to the Company, on or before 8 December 2017, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the EGM.
- ii. Holders of H shares of the Company please note that the register of holders of H shares of the Company will be closed from 28 November 2017 to 28 December 2017 (both days inclusive), during which period no transfer of H shares of the Company will be registered. Holders of H shares of the Company who intend to attend the EGM 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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on 27 November 2017.

3. Proxy

- i. Shareholders entitled to attend and vote at the EGM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.
- ii. A proxy should be appointed by written instrument signed by the appointor or his attorney. If the written instrument is signed by the attorney of the appointor, the written authorisation or other authorisation documents of such attorney should be notarised. In order to be valid, for holders of A shares of the Company, the written authorisation or authorisation documents which have been notarised together with the completed proxy form must be delivered to the Company not less than 24 hours before the time of the holding of the EGM. In order to be valid, for holders of H shares of the Company, the above documents must be delivered to Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, within the same period.
- iii. Shareholder or his proxy should produce identity proof when attending the EGM.

4. The terms used in this notice shall have the same meaning as defined in the announcements of the Company dated 9 November 2017. For details of the resolutions set out in this notice, please refer to the abovementioned announcements.

NOTICE OF THE EGM

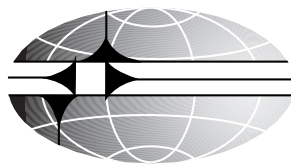
5. Poll

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of the Company, voting at the EGM on the resolutions set out in the notice of the EGM will be taken by poll.

6. Other matters

- i. The duration of the EGM is expected not to exceed one day. Shareholders or proxies who attend the EGM shall arrange for transport, food, accommodation and other relevant expenses at their own cost.
- ii. Address of Hong Kong Registrars Limited (for share transfer):
Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- iii. Address of the Company:
Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, PRC
Postal code: 518026
Tel.: (86) 755-8285 3339
Fax: (86) 755-8285 3411

NOTICE OF THE HCM



深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

NOTICE OF THE SECOND CLASS MEETING 2017 OF HOLDERS OF H SHARES

Notice is hereby given that the Second Class Meeting 2017 of the Holders of H Shares (the “**HCM**”) of Shenzhen Expressway Company Limited (the “**Company**”) will be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC after 9 a.m. on Thursday, 28 December 2017 (immediately after the conclusion of the Second Class Meeting 2017 of the Holders of A Shares of the Company to be held on the same date or adjournment) to consider and, if thought fit, pass the following resolutions by way of special resolutions:

SPECIAL RESOLUTION

1. To consider and approve by way of separate resolutions in relation to the proposal of the public issue of the A Share Convertible Bonds by the Company:
 - 1.01 Type of securities to be issued;
 - 1.02 Issue size;
 - 1.03 Par value and issue price;
 - 1.04 Term of bond;
 - 1.05 Interest rate of bond;
 - 1.06 Method and timing of interest payment;
 - 1.07 Conversion period;
 - 1.08 Determination of the number of conversion shares;
 - 1.09 Determination of the Conversion Price;
 - 1.10 Adjustment to the Conversion Price;

NOTICE OF THE HCM

- 1.11 Downward adjustment to the Conversion Price;
- 1.12 Terms of redemption;
- 1.13 Terms of sell back;
- 1.14 Dividend rights of the conversion year;
- 1.15 Method of issuance and target investors;
- 1.16 Subscription arrangement for existing A shareholders;
- 1.17 Relevant matters on A Share Convertible Bonds holders' meetings;
- 1.18 Use of proceeds;
- 1.19 Management and deposit of proceeds;
- 1.20 Guarantee;
- 1.21 Validity period of the resolutions;
- 1.22 Matters relating to authorization.

By Order of the Board
Hu Wei
Chairman

Shenzhen, the PRC, 13 November 2017

NOTICE OF THE HCM

Notes:

1. Eligibility for attending the HCM

Shareholders of the Company whose names appear on the registers of holders of H shares of the Company at the close of business on 27 November 2017 shall have the right to attend the HCM after complying with the necessary registration procedures.

2. Registration procedures for attending the HCM

- i. Shareholders intending to attend the HCM should deliver to the Company, on or before 8 December 2017, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the HCM.
- ii. Holders of H shares of the Company please note that the register of holders of H shares of the Company will be closed from 28 November 2017 to 28 December 2017 (both days inclusive), during which period no transfer of H shares of the Company will be registered. Holders of H shares of the Company who intend to attend the HCM 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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on 27 November 2017.

3. Proxy

- i. Holders of H shares entitled to attend and vote at the HCM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.
- ii. A proxy should be appointed by written instrument signed by the appointor or his attorney. If the written instrument is signed by the attorney of the appointor, the written authorisation or other authorisation documents of such attorney should be notarised. In order to be valid, for holders of H shares of the Company, the written authorisation or authorisation documents which have been notarised together with the completed proxy form must be delivered to Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time of the holding of the HCM.
- iii. Shareholder or his proxy should produce identity proof when attending the HCM.

4. The terms used in this notice shall have the same meaning as defined in the announcements of the Company dated 9 November 2017. For details of the resolutions set out in this notice, please refer to the abovementioned announcements.

5. Poll

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of the Company, voting at the HCM on the resolutions set out in the notice of the HCM will be taken by poll.

6. Other matters

- i. The duration of the HCM is expected not to exceed one day. Shareholders or proxies who attend the HCM shall arrange for transport, food, accommodation and other relevant expenses at their own cost.
- ii. Address of Hong Kong Registrars Limited (for share transfer):
Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong