
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 a 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 **Canggang Railway Limited** (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Canggang Railway Limited
滄港鐵路有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2169)

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE
SHARE PREMIUM ACCOUNT
AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company (“**Directors**”) is set out on pages 3 to 6 of this circular. A notice convening the Extraordinary General Meeting (“**EGM**”) to be held at Building No. 1, 6th Yudai Road, Haidian District, Beijing on 28 September 2021, at 10:30 a.m. to approve the declaration and payment of Interim Dividend out of the Share Premium Account is set out on pages 7 to 8 of this circular.

A form of proxy of the EGM is enclosed with this circular. Whether or not you are intending to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. on or before 10:30 a.m. on 26 September 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

This circular, for which the Directors collectively and individually accept full responsibility, for the accuracy of information contained herein 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

10 September 2021

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 June 2020 and as amended, supplemented and otherwise modified from time to time
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China excluding for the purposes of this circular only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Cayman Companies Laws”	“the Companies Law”, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modifies from time to time
“Company”	Canggang Railway Limited (滄港鐵路有限公司) (stock code: 2169), an exempted company incorporated in the Cayman Islands with limited liability on 19 October 2018
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries from time to time, or where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Interim Dividend”	the proposed interim dividend of HK\$4.83 cents (equivalent to approximately RMB4.00 cents) per Share as recommended by the Board
“Latest Practicable Date”	3 September 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB180,450,000 as at 30 June 2021 based on the unaudited consolidated financial statements of the Company as at the same date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“%”	per cent

LETTER FROM THE BOARD

Canggang Railway Limited

滄港鐵路有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2169)

Executive Directors:

Mr. Liu Yongliang (Chairman)

Mr. Yi Weiming (Chief Executive Officer)

Non-executive Directors:

Mr. Xu Zhihua

Mr. Qin Shaobo

Independent Non-executive Directors:

Mr. Liu Changchun

Mr. Zhao Changsong

Ms. Lyu Qinghua

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Room 09-10, 41/F

China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

10 September 2021

To the Shareholders

Dear Sir or Madam

PROPOSED DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

The primary purpose of this circular is to provide you with information and to seek your approval of the resolutions regarding the proposed declaration and payment of the Interim Dividend for the six months ended 30 June 2021 out of the Share Premium Account; and to give you notice of the EGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the aforesaid matter.

DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

Reference is made to the Company's announcement dated 26 August 2021 regarding the unaudited interim results of the Group for the six months ended 30 June 2021. The Board has recommended declaration and payment of an Interim Dividend out of the Share Premium Account, subject to the approval of Shareholders at the EGM. Such Interim Dividend will not be subject to any withholding tax.

As at the Latest Practicable Date, the Company has 1,000,000,000 Shares in issue. Based on the number of issued Shares, the Interim Dividend will amount to an aggregate amount of HK\$48,300,000 (equivalent to approximately RMB40,000,000). Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Interim Dividend out of the Share Premium Account" below, the Interim Dividend is intended to be paid out of the Share Premium Account pursuant to the Articles of Association and in accordance with the Cayman Companies Law.

LETTER FROM THE BOARD

As at 30 June 2021, based on the unaudited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account was approximately RMB180,450,000. Following the payment of the Interim Dividend, there will be a remaining balance of approximately RMB140,450,000 standing to the credit of the Share Premium Account.

Conditions of the Payment of Interim Dividend out of the Share Premium Account

The payment of the Interim Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Interim Dividend out of the Share Premium Account pursuant to the Article of Association; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Interim Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Interim Dividend will be paid in cash on or around Monday, 18 October 2021 to those Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 7 October 2021, being the record date of determination of entitlements of the Interim Dividend.

Reasons for payment of the Interim Dividend out of the Share Premium Account

The Board considers it appropriate to distribute the Interim Dividend in recognition of Shareholders' support. After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it is unnecessary to maintain the Share Premium Account at its current level and considers the declaration and payment of the Interim Dividend out of the Share Premium Account is in the interests of the Company and its Shareholders as a whole.

Effect of the payment of the Interim Dividend out of the Share Premium Account

The payment of the Interim Dividend out of the Share Premium Account does not involve any reduction in the authorized or issued share capital of the Company nor any reduction in the nominal value of the Shares or result in any change in the trading arrangements concerning the Shares.

Save for the immaterial expenses incurred as a result of the payment of the Interim Dividend, the Board considers that the payment of the Interim Dividend out of the Share Premium Account will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group.

Closure of register of members

To determine the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 23 September 2021 to Tuesday, 28 September 2021 (both days inclusive), during which period no transfers of shares shall be registered. The record date will be Tuesday, 28 September 2021. In order to be eligible to attend and vote at the EGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 September 2021.

LETTER FROM THE BOARD

To determine the entitlement of the proposed Interim Dividend, the register of members of the Company will be closed from Tuesday, 5 October 2021 to Thursday, 7 October 2021 (both days inclusive), during which period no transfers of shares shall be effected. The record date will be Thursday, 7 October 2021. In order to be eligible to receive the Interim Dividend, all completed transfers documents accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 October 2021.

THE EXTRAORDINARY GENERAL MEETING AND FORM OF PROXY

The notice convening the EGM is set out on pages 7 to 8 of this circular. No Shareholder is required to abstain from voting in respect of the resolutions to be proposed at the EGM to approve the declaration and the payment of Interim Dividend out of the Share Premium Account.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where, the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Accordingly, the resolutions put to the vote at the EGM will be taken by poll. The poll results will be published on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (www.czcgtl.com).

A form of proxy for use at the EGM is enclosed herewith and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.czcgtl.com). Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. on or before 10:30 a.m. on 26 September 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Taking into account of the outbreak of COVID-19 in Hebei Province, the Company will implement the following control measures during the meeting to protect all the attendances from the risk of infection:

- (i) Compulsory body temperature check will be conducted for every member or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
- (ii) Every member or proxy is required to wear surgical facial mask throughout the meeting; and
- (iii) No refreshment will be served.

LETTER FROM THE BOARD

Furthermore, the Company wishes to advise the members, particularly the members who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the meeting as a proxy to vote on the resolutions, instead of attending the meeting in person.

RECOMMENDATION

The Board considers that the ordinary resolutions to be proposed at the EGM are in the best interests of the Company as well as the Shareholders as a whole. Therefore, the Board recommend that all Shareholders should vote in favour of the resolutions proposed at the EGM.

Yours faithfully

On behalf of the Board

Canggang Railway Limited

Liu Yongliang

Chairman and executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

Canggang Railway Limited

滄港鐵路有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2169)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Canggang Railway Limited (the “**Company**”) will be held at Building No. 1, 6th Yudai Road, Haidian District, Beijing on 28 September 2021, at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

As ordinary business to consider and, if thought fit, pass, with or without modification the following resolutions as ordinary resolutions:

1. (a) the declaration and payment of an interim dividend of HK\$4.83 cents per ordinary share out of the share premium account of the Company (the “**Interim Dividend**”) to the shareholders of the Company on the record date fixed by the board of directors for determining the entitlements to the Interim Dividend be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to take such action, do such things and execute such further documents as the director may at his/her absolute discretion consider necessary or desirable for the purpose of or in connection with the payment of the Interim Dividend.

By order of the Board
Canggang Railway Limited
Liu Yongliang
Chairman and executive Director

Hong Kong, 10 September 2021

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy needs not be a member of the Company.
2. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto to, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said person so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof.
3. To ascertain Shareholders’ eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 23 September 2021 to Tuesday, 28 September 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 September 2021.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. To determine the entitlement of the proposed Interim Dividend, the register of members of the Company will be closed from Tuesday, 5 October 2021 to Thursday, 7 October 2021 (both days inclusive), during which period no transfers of shares shall be effected. The record date will be Thursday, 7 October 2021. In order to be eligible to receive the Interim Dividend, all completed transfers documents accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 October 2021.
5. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (i.e. at or before 10:30 a.m. on 26 September 2021) or any adjourned meeting.
6. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or adjourned meeting, and in such event, the form of proxy shall be deemed to be revoked.
7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises Mr. Liu Yongliang and Mr. Yi Weiming as the executive Directors; Mr. Xu Zhihua and Mr. Qin Shaobo as the non-executive Directors; and Mr. Liu Changchun, Mr. Zhao Changsong and Ms. Lyu Qinghua as the independent non-executive Directors.