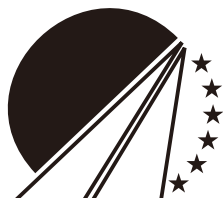


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江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 00177)

ANNOUNCEMENT ON RELATED/CONNECTED TRANSACTIONS

**ADDITIONAL CAPITAL CONTRIBUTION TO
JIANGSU SUNDIAN ENGINEERING CO., LTD. AND
RENEWAL OF THE MAQUN MONITORING CENTRE PROPERTY
LEASING AGREEMENT WITH JIANGSU EXPRESSWAY
NETWORK OPERATION AND MANAGEMENT CO., LTD.**

The Company and all members of the Board warrant that the content of this announcement is true, accurate and complete, and jointly accept the responsibility for any false representations or misleading statements contained in, or material omissions from, this announcement.

On 28 April 2017, the Company convened the fifteenth meeting of the eighth session of the Board to consider and approve the following related/connected transactions:

- (1) Each of the Company, Guangjing Xicheng Company, a 85% owned subsidiary of the Company, and Ningchang Zhenli Company, a wholly-owned subsidiary of the Company, will make an additional capital contribution of RMB4.5 million to Jiangsu Sundian, in which each of such companies holds 7.5% equity interests, respectively, and the aggregate amount of contributions is RMB13.5 million; and
- (2) The Company and Network Operation Company will renew the Maqun Monitoring Centre Property Leasing Agreement for a term from 1 May 2017 to 31 December 2017. The rental fee amounts to RMB2,408,300 which is exclusive of management fees, maintenance fees and utilities expenses to be incurred and assumed by the tenant in using the premises.

As Communications Holding directly and indirectly holds over 30% equity interests in Jiangsu Sundian and Network Operation Company, Jiangsu Sundian and Network Operation Company are connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules. In accordance with Rule 14A.76 of the Hong Kong Listing Rules, as all the applicable percentage ratios in respect of (1) the additional capital contributions to Jiangsu Sundian; and (2) the Maqun Monitoring Centre Property Leasing Agreement are less than 0.1%, the transactions are not subject to the disclosure requirement.

IMPORTANT NOTICE

1. The related/connected transactions are not subject to approval by shareholders at the general meeting.
2. The directors (including independent non-executive directors) are of the view that the related/connected transactions are conducted in the ordinary and usual course of business of the Company and its subsidiaries on normal commercial terms which are fair and reasonable. The Company's revenue and profit are not dependent on such related/connected transactions and hence the independence of the Company as a listed company will not be impaired. The transactions do not have any adverse impacts on the Company and will not damage the interests of the Company and its unrelated/non-connected shareholders, especially the interests of the minority shareholders, and are in the interests of the Company and its shareholders as a whole.
3. Other matters that should be brought to the attention of investors: None.

I. BASIC INFORMATION ON THE RELATED/CONNECTED TRANSACTIONS

(I) Approval procedures of the related/connected transactions

On 28 April 2017, Jiangsu Expressway Company Limited (the “**Company**”) convened the fifteenth meeting of the eighth session of the board of directors (the “**Board**”) to consider and approve the following related/connected transactions: 1. each of the Company, Jiangsu Guangjing Xicheng Expressway Company Limited, a 85% owned subsidiary of the Company (“**Guangjing Xicheng Company**”), and Jiangsu Ningchang Zhenli Expressway Company Limited, a wholly-owned subsidiary of the Company (“**Ningchang Zhenli Company**”), will make an additional capital contribution of RMB4.5 million to Jiangsu Sundian Engineering Co., Ltd. (“**Jiangsu Sundian**”), in which each of such companies holds 7.5% equity interests, respectively, and the aggregate amount of contributions is RMB13.5 million; 2. the Company and Jiangsu Expressway Network Operation and Management Co., Ltd. (“**Network Operation Company**”)

will renew the Maqun Monitoring Centre Property Leasing Agreement for a term from 1 May 2017 to 31 December 2017. The rental fee amounts to RMB2,408,300 which is exclusive of management fees, maintenance fees and utilities expenses to be incurred and assumed by the tenant in using the premises.

Four independent directors of the Company have conducted a prior audit on the aforementioned related/connected transactions and issued an audit opinion on related transactions in accordance with the Listing Rules of the Shanghai Stock Exchange (the “**Shanghai Listing Rules**”). The audit committee of the Company has reviewed both related/connected transactions and agreed to submit the same to the Board for consideration.

In accordance with Article XXIV “Principle of Accumulative Calculation of Transactions Conducted with the Same Related Person within Twelve Months” of the Implementation Guidelines for Related transactions of Listed Companies (《關聯交易實施指引》) of the Shanghai Stock Exchange, upon the aggregated calculation of the amounts under the two related/connected transactions, they are subject to the disclosure requirements and as the total amount accounts for less than 5% of the audited absolute value of the net assets of the Company in the latest period, they are not subject to approval at general meeting. In accordance with Rule 14A.76 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), as all the applicable percentage ratios in respect of (1) the additional capital contributions to Jiangsu Sundian; and (2) the Maqun Monitoring Centre Property Leasing Agreement are less than 0.1%, the transactions are not subject to the disclosure requirement.

Mr. Chang Qing, Mr. Gu Dejun and Mr. Du Wenyi as related/connected directors have abstained from voting on the resolutions in relation to the two transactions. All of the remaining directors (including four independent non-executive directors) have voted in favor of the two related/connected transactions, and are of the view that the two transactions are entered into in the ordinary and usual course of business of the Company and its subsidiaries on normal commercial terms which are fair and reasonable and will not damage the interests of the Company and its unrelated/non-connected shareholders, especially the interests of the minority shareholders, and are in the interests of the Company and its shareholders as a whole.

These related/connected transactions do not require approval from any other authorities.

(II) Estimation and Implementation of Previous Related/Connected Transactions

RMBO'000

Category of related/ connected transactions	Related/ connected person	Estimated Amount of 2016 (Previous)	Actual Amount Incurred in 2016 (Previous)	Reason for Material Difference between Estimated Amount and Actual Amount Incurred
Capital contribution to related/connected person	Jiangsu Sundian	0	0	/
Lease to related/ connected person	Network Operation Company	361.24	361.24	/
Total	/	<u>361.24</u>	<u>361.24</u>	/

(III) Estimated amounts and categories of the current related/connected transactions

RMBO'000

Category of related/ connected transactions	Related/ connected person	Current Estimated Amount	Proportion to similar business (%)	Accumulated Transaction Amount Incurred from the Beginning of 2017 to the Date of This Announcement	Actual Amount Incurred in 2016	Proportion to similar business (%)	Reason for Material Difference between Current Estimated Amount and Actual Amount Incurred last year
Additional capital contribution to related/ connected person	Jiangsu Sundian	1,350	100	0	0	0	/
Lease to related/ connected person	Network Operation Company	240.83	58.76	0	361.24	68.13	/
Total	/	<u>1,590.83</u>	<u>/</u>	<u>0</u>	<u>361.24</u>	<u>68.13</u>	/

II. INFORMATION ON AND RELATIONSHIP WITH RELATED PARTIES / CONNECTED PERSONS

(I) Basic information on the related parties / connected persons

Jiangsu Expressway Company Limited

Registered office:	No. 6 Xianlin Road, Nanjing, Jiangsu Province, the PRC
Business nature:	Joint-stock limited company
Legal representative:	Chang Qing
Registered capital:	RMB5,037,747,000
Principal business:	Construction, management, maintenance and toll collection of toll roads and expressways in Jiangsu Province
Total assets at the end of the latest business accounting period (2016):	RMB36,282,574,000 (In accordance with the China Accounting Standards for Business Enterprises)
Net assets at the end of the latest business accounting period (2016):	RMB22,941,857,000 (In accordance with the China Accounting Standards for Business Enterprises)
Main business revenue for the latest business accounting period (2016):	RMB9,201,297,000 (In accordance with the China Accounting Standards for Business Enterprises)
Net profit for the latest business accounting period (2016):	RMB3,437,138,000 (In accordance with the China Accounting Standards for Business Enterprises)

Jiangsu Guangjing Xicheng Expressway Company Limited

Registered office:	No. 6 Xianlin Road, Nanjing, Jiangsu Province, the PRC
Business nature:	Limited liability company
Legal representative:	Yang Fei
Registered capital:	RMB2,500,000,000
Principal business:	Construction, management, maintenance and toll collection of expressways
Total assets at the end of the latest business accounting period (2016):	RMB6,041,700,000 (In accordance with the China Accounting Standards)
Net assets at the end of the latest business accounting period:	RMB3,686,093,000 (In accordance with the China Accounting Standards)
Main business revenue for the latest business accounting period (2016):	RMB1,180,275,000 (In accordance with the China Accounting Standards)
Net profit for the latest business accounting period (2016):	RMB607,142,000 (In accordance with the China Accounting Standards)

Jiangsu Ningchang Zhenli Expressway Company Limited

Registered office:	No. 291 East Zhongshan Road, Nanjing, Jiangsu Province, the PRC
Business nature:	Limited liability company
Legal representative:	Chen Xiang Hui
Registered capital:	RMB9,700,000,000
Principal business:	Construction, management, maintenance and toll collection of expressways
Total assets at the end of the latest business accounting period (2016):	RMB7,261,106,000 (In accordance with the China Accounting Standards for Business Enterprises)
Net assets at the end of the latest business accounting period (2016):	RMB7,203,130,000 (In accordance with the China Accounting Standards for Business Enterprises)
Main business revenue for the latest business accounting period (2016):	RMB943,289,000 (In accordance with the China Accounting Standards for Business Enterprises)
Net profit for the latest business accounting period (2016):	RMB339,152,000 (In accordance with the China Accounting Standards for Business Enterprises)

Jiangsu Sundian Engineering Co., Ltd.

Registered office:	2 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Business nature:	Limited liability company
Legal representative:	Chen Xiang Hui
Registered capital:	RMB690,500,000
Principal business:	Maintenance and overhaul of roads and bridges
Total assets at the end of the latest business accounting period (2016):	RMB201,566,000 (In accordance with the China Accounting Standards)
Net assets at the end of the latest business accounting period (2016):	RMB38,696,000 (In accordance with the China Accounting Standards)
Main business revenue for the latest business accounting year (2016):	RMB222,257,000 (In accordance with the China Accounting Standards)
Net profit for the latest business accounting year (2016):	RMB768,000 (In accordance with the China Accounting Standards)

The net profit before and after tax for the recent two business accounting years of Jiangsu Sundian in accordance with the China Accounting Standards is as follows:

	<i>(RMB'000)</i>	
	For the year ended 31 December 2015 (audited)	For the year ended 31 December 2016 (audited)
Net profit before tax	14,962	768
Net profit after tax	<u>14,648</u>	<u>768</u>

Jiangsu Expressway Network Operation and Management Co., Ltd.

Registered office:	No. 189 Maqun New Street, Nanjing
Business nature:	Limited company
Legal representative:	Chen Xiang Hui
Registered capital:	RMB144,400,000
Principal business:	Operation and management and technological research and service of expressways networks in Jiangsu Province
Total assets at the end of the latest business accounting period (2016):	RMB622,093,840 (In accordance with the China Accounting Standards)
Net assets at the end of the latest business accounting period (2016):	RMB177,131,390 (In accordance with the China Accounting Standards)
Main business revenue for the latest business accounting year (2016):	RMB219,837,850 (In accordance with the China Accounting Standards)
Net profit for the latest business accounting year (2016):	RMB4,758,260 (In accordance with the China Accounting Standards)

(II) Related/Connected Relationship with Listed Company

As Jiangsu Communications Holding Company Limited (“**Communications Holding**”), the controlling shareholder of the Company, directly and indirectly controls Jiangsu Sundian and Network Operation Company; pursuant to Rule 10.1.3 in Chapter X of the Shanghai Listing Rules on a legal person or other organizations who directly or indirectly control a listed company, Communications Holding is the legal person directly controlling Jiangsu Sundian and Network Operation Company. Therefore, Jiangsu Sundian and Network Operation Company are related persons of the Company and its subsidiaries. In addition, as Communications Holding directly and indirectly holds over 30% equity interests in Jiangsu Sundian and Network Operation Company, Jiangsu Sundian and Network Operation Company are connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules.

(III) Performance Capability Analysis of Related Parties/Connected Persons

The Company, Guangjing Xicheng Company and Ningchang Zhenli Company have cooperated with Jiangsu Sundian and Network Operation Company for years and the previous agreements entered into between the parties have been effectively performed without any issues. At present, as Jiangsu Sundian and Network Operation Company are in good financial positions, the Company is of the view that there is no risk of default of the relevant agreements.

III. MAIN CONTENT AND PRICING POLICY OF RELATED/CONNECTED TRANSACTIONS

1. Each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company holds 7.5% equity interests in Jiangsu Sundian. Given the business development needs of Jiangsu Sundian to replenish engineering machinery and upgrade facilities and equipment to improve its maintenance and construction capability, each of its shareholders will make an additional capital contribution in currency in a lump sum in proportion to their original contributions to the registered capital, and the aggregate amount of contributions is RMB60 million. Accordingly, each of the Company and its two subsidiaries will make an additional capital contribution of RMB4.5 million to Jiangsu Sundian, and the aggregate amount of contributions is RMB13.5 million. Upon capital contributions, shareholders’ shareholdings will remain unchanged.

2. The Company and Network Operation Company will renew the Maqun Monitoring Centre Property Leasing Agreement for a term from 1 May 2017 to 31 December 2017. The rental fee amounts to RMB2,408,300, which is calculated based on the annual rental fee of RMB3,612,400 under the previous agreement and discounted with reference to the lease term and excludes the management fees, maintenance fees and utilities expenses to be incurred and assumed by the tenant in using the premises. The rental fee shall be paid in a lump sum on or before 31 July 2017.

IV. PURPOSE OF THE RELATED/CONNECTED TRANSACTIONS AND THEIR EFFECTS ON THE COMPANY

Jiangsu Sundian has been providing repair and maintenance services for special repair and large- and medium-scale projects of various expressways under the Company, Guangjing Xicheng Company and Ningchang Zhenli Company. The additional capital contribution will facilitate enhancement of the maintenance ability of Jiangsu Sundian and provide better road and bridge maintenance services to the Company and its subsidiaries. The Company's revenue and profit are not dependent on such related/connected transaction and hence the independence of the Company as a listed company will not be impaired.

The Company has leased the properties of Maqun Monitoring Centre to Network Operation Company as its office since 2008. This lease is only to renew the previous property lease agreement that has been entered into with Network Operation Company for a long time. The Company's revenue and profit are not dependent on such related/connected transaction and hence the independence of the Company as a listed company will not be impaired.

Therefore, the Board of the Company (including independent non-executive directors) is of the view that the two transactions are conducted in the ordinary and usual course of business of the Company and its subsidiaries on normal commercial terms which are fair and reasonable. The transactions do not have any adverse impacts on the Company and will not damage the interests of the Company and its unrelated/non-connected shareholders, especially the interests of the minority shareholders, and are in the interests of the Company and its shareholders as a whole.

V. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available in the registered address of the Company (No.6 Xianlin Aveune, Nanjing, Jiangsu Province, the PRC) during normal business hours for the shareholders' inspection:

1. Board resolutions and the minutes of the meeting signed by the directors;
2. Written documents of independent directors in respect of the transaction and independent opinions expressed by them at the Board meeting prior to entering into the transactions;
3. Resolutions passed at the meeting of the supervisory committee of the Company;
4. Resolutions of the audit committee; and
5. Agreements in relation to the related/connected transactions.

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 29 April 2017

As at the date of this announcement, the Directors of the Company are:

Chang Qing, Gu Dejun, Du Wenyi, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Erzhen, Zhang Zhuting*, Chen Liang*, Lin Hui**

* *Independent Non-executive Directors*