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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 THE ORDINARY RELATED/CONTINUING
CONNECTED TRANSACTIONS**

The board of directors of the Company and all members of the board of directors warrant that there is no false representations or misleading statements contained in, or material omissions from, this announcement and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of its content.

On 23 March 2018, the board of directors of the Company considered and approved the following related/continuing connected transactions and signed relevant contracts:

- (1) The contracts on maintenance of monitoring and communication systems and procurement of spare parts entered into between each of the Company, Guangjing Xicheng Company, a subsidiary of the Company, Ningchang Zhenli Company, a wholly-owned subsidiary of the Company, and Information Company;
- (2) The Expressway Maintenance Services Contracts entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Jiangsu Sundian;
- (3) The ETC Customer Service Outlets Management Agreements entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Tongxingbao Company;

- (4) The 2018 maintenance technology research and services contracts entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Maintenance Technology Company;
- (5) The property leasing agreement entered into between the Company and Railway Investment Company;
- (6) The Yanqiao and Yixing Service Area Petrol Stations Leasing and Operation Agreement and the Guangling Service Area Petrol Stations Leasing and Operation Agreement entered into between Guangjing Xicheng Company, Expressway Petroleum Company and Taixing Oil Products Company;
- (7) The 2018 bridge emergency reinforcement and maintenance agreement entered into between Ningchang Zhenli Company and HuaTong Engineering Testing Company.

As Communications Holding, the controlling shareholder of the Company, is the controlling shareholder or actual controller of Information Company, Jiangsu Sundian, Tongxingbao Company, Railway Investment Company, Maintenance Technology Company, HuaTong Engineering Testing Company, Expressway Petroleum Company and Taixing Oil Products Company, the parties concerned are the connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules, and the above seven contracts constitute continuing connected transactions under the Hong Kong Listing Rules.

As the maximum amount of the aforementioned transactions 1, 2, 4 and 6 was less than 5% of the applicable percentage ratios (other than the profit ratio) as stipulated by Rule 14.07 of the Hong Kong Listing Rules, the transactions are subject to reporting and announcement requirements but are exempt from the approval of independent shareholders at general meeting in accordance with Rule 14A.76(2) (a) of the Hong Kong Listing Rules. In addition, as the applicable percentage ratios of the aforementioned transactions 3, 5 and 7 are less than 0.1%, the transactions are not subject to the disclosure requirement under Rule 14A.76 of the Hong Kong Listing Rules.

IMPORTANT NOTICE :

- 1. The related/continuing connected transactions are not subject to approval by shareholders at the general meeting.**

2. **The directors (including independent non-executive directors) of the Company are of the view that the seven transactions are conducted in the ordinary and usual course of business of the Company and its subsidiaries on normal commercial terms and the terms of the transactions are fair and reasonable. The Company’s income and profit are not dependent on such related/continuing 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 ORDINARY RELATED/CONTINUING CONNECTED TRANSACTIONS

(I) Procedures for the consideration of ordinary related/continuing connected transactions

On 23 March 2018, the board of directors of Jiangsu Expressway Company Limited (the “**Company**”) considered and approved the following ordinary related/continuing connected transactions and signed relevant contracts:

- (1) The contracts on maintenance of monitoring and communication systems and procurement of spare parts entered into between each of the Company, Jiangsu Guangjing Xicheng Expressway Company Limited (“**Guangjing Xicheng Company**”), a subsidiary of the Company, Jiangsu Ningchang Zhenli Expressway Company Limited (“**Ningchang Zhenli Company**”), a wholly-owned subsidiary of the Company, and Jiangsu Expressway Information Engineering Technology Co., Ltd (江蘇高速公路信息工程有限公司)(“**Information Company**”);
- (2) The Expressway Maintenance Services Contracts entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Jiangsu Sundian Engineering Co., Ltd. (“**Jiangsu Sundian**”);
- (3) The ETC Customer Service Outlets Management Agreements entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (“**Tongxingbao Company**”);

- (4) The 2018 maintenance technology research and services contracts entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (“**Maintenance Technology Company**”);
- (5) The property leasing agreement entered into between the Company and Jiangsu Railway Investment Development Co., Ltd. (“**Railway Investment Company**”);
- (6) The Yanqiao and Yixing Service Area Petrol Stations Leasing and Operation Agreement and the Guangling Service Area Petrol Stations Leasing and Operation Agreement entered into between Guangjing Xicheng Company, Jiangsu Expressway Petroleum Company Development Co., Ltd. (“**Expressway Petroleum Company**”) and Taixing Hechang Oil Products Trading Co., Ltd. (“**Taixing Oil Products Company**”) ;
- (7) The 2018 bridge emergency reinforcement and maintenance agreement entered into between Ningchang Zhenli Company and Jiangsu HuaTong Engineering Testing Co., Ltd. (“**HuaTong Engineering Testing Company**”).

Mr. Chang Qing, Mr. Gu Dejun and Mr. Du Wenyi, being related/connected directors, have abstained from voting on the seven resolutions. All of the remaining directors have voted in favor of the resolutions, and are of the view that terms of the transactions are fair and reasonable and are in the interests of the shareholders as a whole.

Four independent directors of the Company have conducted a prior review on the aforementioned ordinary related/continuing connected transactions and issued their opinions on the assessment of such ordinary related/continuing connected transactions in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “**Shanghai Listing Rules**”). The Audit Committee of the Company has reviewed the related/continuing connected transactions and agreed to submit the same to the board of directors for consideration.

In accordance with Article VIII of the Implementation Guidelines for Related transactions of Listed Companies (《關聯交易實施指引》) of the Shanghai Stock Exchange, as the counterparties of the seven resolutions are related persons of the Company, the seven transactions constitute related transactions. Besides, the aggregated calculations of related transactions reach the requirement for disclosure. As the total amount of relevant expenses accounts for less than 5% of the audited absolute value of the net assets of the Company in the latest period, it is not required to submit the transactions to the general meeting for approval.

The related/continuing connected transactions are not subject to the approval by any other departments.

As the maximum amount of the aforementioned transactions 1, 2, 4 and 6 was less than 5% of the applicable percentage ratios (other than the profit ratio) as stipulated by Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the transactions are subject to reporting and announcement requirements but are exempt from the approval of independent shareholders at general meeting in accordance with Rule 14A.76(2)(a) of the Hong Kong Listing Rules. In addition, as the applicable percentage ratios of the aforementioned transactions 3, 5 and 7 are less than 0.1%, the transactions are not subject to the disclosure requirement under Rule 14A.76 of the Hong Kong Listing Rules.

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

RMB0’000

Category of related/ connected transaction	Related/ connected person	Estimated Amount of 2017 (Previous)	Actual Amount Incurred of 2017 (Previous)	Reason for Large Difference between Estimated Amount and Actual Amount Incurred
Services accepted from related/ connected persons by the Company	Information Company	0	198	It determined the service units through open tender, and did not make estimates at the beginning of the year
	Jiangsu Sundian	5,400	2,126	Certain projects were extended to 2018 due to the overall progress and seasonal reason
	Maintenance Technology Company	450	368	/
	Subtotal	5,850	2,692	/

Category of related/ connected transaction	Related/ connected person	Estimated Amount of 2017 (Previous)	Actual Amount Incurred of 2017 (Previous)	Reason for Large Difference between Estimated Amount and Actual Amount Incurred
Services accepted from related/ connected persons by Guangjing Xicheng Company	Information Company	1,600	402	It determined the service item through open tender and the actual bid price was less than the estimated amount
	Jiangsu Sundian	2,800	2478	/
	Maintenance Technology Company	150	121	/
	Subtotal	4,550	3,001	/
Services accepted from related/connected persons by Ningchang Zhenli Company	Information Company	400	78	It determined the service item through open tender, and the actual bid price was less than the estimated amount
	Jiangsu Sundian	2,500	1,821	Certain projects were extended to 2018 due to the overall progress and seasonal reason
	Maintenance Technology Company	150	115	/
	Subtotal	3,050	2,014	/
Related/connected leasing provided by the Company to related/connected persons	Tongxingbao Company	560	220	Tongxingbao Company ceased to lease our POS machine from July, reducing the swipe fee
	Subtotal	560	220	/

Category of related/ connected transaction	Related/ connected person	Estimated Amount of 2017 (Previous)	Actual Amount Incurred of 2017 (Previous)	Reason for Large Difference between Estimated Amount and Actual Amount Incurred
Related/connected leasing provided by Guangjing Xicheng Company to related/connected persons	Tongxingbao Company	120	48	Tongxingbao Company ceased to lease our POS machine from July, reducing the swipe fee
	Expressway Petroleum Company	480	707	Actual petroleum sales volume are greater than the estimated
	Subtotal	600	755	
Related/connected leasing provided by Ningchang Zhenli Company to related/connected persons	Tongxingbao Company	20	7 /	
	Subtotal	20	7 /	
Total	/	<u>14,630</u>	<u>8,689 /</u>	

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

RMB0'000

Category of related/ connected transactions	Related/ Connected person	Estimated Amount of 2018	Proportion in business of the same kind (%)	Accumulated Transaction Amount Incurred with related/ connected persons from the Beginning of 2018 to the Date of This Announcement	Actual Amount Incurred of 2017	Proportions of similar business (%)	Reason for Large Difference between Current Estimated Amount and Actual Amount Incurred last year
Services accepted from related/connected persons by the Company	Information Company	1,400	6.14	0	198	7.36	Bulk purchases will be directly entrusted to the related/connected person in 2018
	Jiangsu Sundian	10,800	47.35	0	2,126	78.97	Increased commission business in 2018
	Maintenance Technology Company	790	3.46	0	368	13.67	Increase in items of maintenance technical service
	Subtotal	12,990	56.95	0	2,692	100	/
Services accepted from related/connected persons by Guangjing Xicheng Company	Information Company	450	1.97	17	402	13.4	/
	Jiangsu Sundian	5,000	21.92	620	2,478	82.57	Increased commission business in 2018
	Maintenance Technology Company	260	1.14	0	121	4.03	Increase in items of maintenance technical service
	Subtotal	5,710	25.03	637	3,001	100	/

Category of related/ connected transactions	Related/ Connected person	Estimated Amount of 2018	Proportion in business of the same kind (%)	Accumulated Transaction Amount Incurred with related/ connected persons from the Beginning of 2018 to the Date of This Announcement	Actual Amount Incurred of 2017	Proportions of similar business (%)	Reason for Large Difference between Current Estimated Amount and Actual Amount Incurred last year
Services accepted from related/connected persons by Ningchang Zhenli Company	Information Company	200	0.88	0	78	3.87	/
	Jiangsu Sundian	3,500	15.34	203	1,821	90.42	Increased commission business in 2018
	Maintenance Technology Company	260	1.14	0	115	35.71	/
	HuaTong Engineering Testing Company	151	0.66	0	0	0	/
	Subtotal	4,111	18.02	203	2,014	100	/
Services accepted from related/connected persons	Total	22,811	100	840	5,015	/	/
Related/connected leasing provided by the Company to related/connected persons	Tongxingbao Company	81	7.17	22	220	100	/
	Railway Investment Company	270.93	24	0	0	0	/
	Subtotal	351.93	31.17	22	220	100	/
Related/connected leasing provided by Guangjing Xicheng Company to related/connected persons	Tongxingbao Company	20	1.77	0	48	6.36	/
	Expressway Petroleum Company	440	38.98	57	707	93.64	/
	Taixing Oil Products Company	310	27.46	0	0	0	/
	Subtotal	770	68.21	57	755	100	/
Related/connected leasing provided by Ningchang Zhenli Company to related/connected persons	Tongxingbao Company	7	0.62	0	7	100	/
	Subtotal	7	0.62	0	7	100	/
Services provided for related/connected persons	Total	1,128.93	100	79	982	/	/
Total	/	23,939.93	/	919	8,689	/	/

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

(I) Basic information on the related/connected persons

Jiangsu Expressway Company Limited

Registered office:	6 Xianlin Avenue, 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 (2017):	RMB42,532,491,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB25,894,931,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB9,455,680,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB3,684,820,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Guangjing Xicheng Expressway Company Limited

Registered office:	6 Xianlin Avenue, 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 (2017):	RMB8,690,443,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB4,476,646,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB1,239,352,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB633,738,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

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 (2017):	RMB7,667,020,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB7,598,092,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB1,102,045,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB394,962,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway Information Engineering Technology Co., Ltd.

Registered office:	22 Floor, Block 1, No. 50 Jialing Jiangdong Street, Kang Yuan Zhi Hui Gang, Jianye District, Nanjing, Jiangsu, the PRC
Business nature:	Limited liability company (Corporate-owned)
Legal representative:	Jin Xiang Dong
Registered capital:	RMB15,000,000
Principal business:	Intelligent transportation system engineering, electronic engineering, computer network engineering design, construction, etc., road traffic, electronics and communications related hardware and software development, production and technical services
Total assets at the end of the latest business accounting period (2017):	RMB77,558,500 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB22,143,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB90,979,300 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB8,796,400 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Sundian Engineering Co., Ltd.

Registered office:	2 Xianlin Avenue, Nanjing, Jiangsu, the PRC
Business nature:	Limited liability company
Legal representative:	Chen Xiang Hui
Registered capital:	RMB129,050,000
Principal business:	Maintenance and overhaul of roads and bridges
Total assets at the end of the latest business accounting period (2017):	RMB288,168,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB107,067,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting year (2017):	RMB279,782,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting year (2017):	RMB8,371,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Tongxingbao Smart Transport Technology Co., Ltd.

Registered office:	No. 189 Maqun New Street, Nanjing
Business nature:	Limited liability company
Legal representative:	Zhang Xun
Registered capital:	RMB100,000,000
Principal business:	Installation, management, maintenance, clearing, technical service for electronic toll collection and smart transport systems, issuance and sale distribution of OBU and CPU of Jiangsu ETC cards
Total assets at the end of the latest business accounting period (2017):	RMB3,442,751,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB149,769,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB279,751,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB46,606,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Railway Investment Development Co., Ltd.

Registered office:	Hanfu Building, 291 Zhongshan East Road, Xuanwu District, Nanjing, the PRC
Business nature:	Limited liability (state-owned enterprise)
Legal representative:	Chang Qing
Registered capital:	RMB7,000,000,000
Principal business:	Investment, construction, operation and management of railway and intercity transportation projects, passenger and freight service projects of railway and intercity transportation, warehousing projects and development of lands and other comprehensive resources along the line
Total assets at the end of the latest business accounting period (2017):	RMB7,360,210,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB7,057,170,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting year (2017):	RMB10,820,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting year (2017):	RMB120,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway Engineering Maintenance Technology Co., Ltd.

Registered office:	No. 189 Maqun New Street, Qixia District, Nanjing, Jiangsu, the PRC
Business nature:	Limited liability company (Corporate-owned)
Legal representative:	Chen Xiang Hui
Registered capital:	RMB30,000,000
Principal business:	Planning, design, consultation, evaluation and relevant technical services of highway maintenance projects (including alteration work and extension project).
Total assets at the end of the latest business accounting period (2017):	RMB42,681,920 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB31,546,040 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB30,336,080 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB1,549,730 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway Petroleum Development Co., Ltd.

Registered office:	22nd Floor, Building 1, Financial City, No. 99 Jialing Jiangdong Street, Jianye District, Nanjing
Business nature:	Limited company
Legal representative:	Cheng Xiu Hu
Registered capital:	RMB150,000,000
Principal business:	Refined oil retail, sales of general merchandise, auto parts, chemical products, and technical consulting services.
Total assets at the end of the latest business accounting period (2017):	RMB607,293,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB380,145,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB7,424,016,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB8,957,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Taixing Hechang Oil Products Trading Co., Ltd.

Registered office:	Next to Zhangshi Village, Guangling Town, Taixing City, Jiangsu Province (Guangjing Expressway Gas Station)
Business nature:	Limited liability company (Corporate-owned)
Legal representative:	Ling Yun
Registered capital:	RMB2,000,000
Principal business:	Gasoline and diesel retail, and technical consulting services.
Total assets at the end of the latest business accounting period (2017):	RMB16,070,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB12,790,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB183,520,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB9,250,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu HuaTong Engineering Testing Co., Ltd.

Registered office:	7th Floor, Building E05, Tianan Cyber Park, No. 36 Yongfeng Avenue, Qinhuai District, Nanjing, Jiangsu Province
Business nature:	Limited liability company
Legal representative:	Chen Shi
Registered capital:	RMB60,100,000
Principal business:	Roads, bridges, hydraulic structures, building structure inspection
Total assets at the end of the latest business accounting period (2017):	RMB315,314,800 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB110,217,200 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2017):	RMB124,201,400 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB11,753,100 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

(II) Related/Connected Relationship with Listed Company

As Jiangsu Communications Holding Company Limited (“**Communications Holding**”), the controlling shareholder of the Company, is the controlling shareholder or actual controller of Information Company, Jiangsu Sundian, Tongxingbao Company, Railway Investment Company, Maintenance Technology Company, HuaTong Engineering Testing Company, Expressway Petroleum Company and Taixing Oil Products Company, the parties concerned are related persons of the Company and its subsidiaries, and the relevant transactions constitute related transactions under Rule 10.1.3 of Chapter 10 of the Shanghai Listing Rules.

Based on the aforesaid, Information Company, Jiangsu Sundian, Tongxingbao Company, Railway Investment Company, Maintenance Technology Company, HuaTong Engineering Testing Company, Expressway Petroleum Company and Taixing Oil Products Company are connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules. Pursuant to the Hong Kong Listing Rules, the transactions are continuing connected transactions.

(III) Performance Capability Analysis of Related/Connected Party

As Information Company, Jiangsu Sundian, Tongxingbao Company, Railway Investment Company, Maintenance Technology Company, Expressway Petroleum Company, Taixing Oil Products Company, HuaTong Engineering Testing Company and the Company are subsidiaries of the same controlling shareholder, previous agreements can be effectively implemented without any breach of contract. Therefore, the Company considered that there is no risk of non-performance of the contracts for the 7 related/connected transactions.

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

1. Information Company provides the Company, Guangjing Xicheng Company and Ningchang Zhenli Company with monitoring, communications and electromechanical maintenance services. The service fee for projects granted by the open tender shall be determined according to the tender price. The service fee for those granted by other means shall be determined through fair negotiation with reference to the prevailing market price which shall be verified by the independent and qualified construction cost consultation unit. In principle, the fee is not higher than the market price of the relevant work. According to the estimated workload in 2018, the total amount of the service contracts between the Company, Guangjing Xicheng Company and Ningchang Zhenli Company with Information Company is not expected to exceed RMB14 million, RMB4.5 million and RMB2 million, respectively, of which: (1) The Company and Information Company will enter into a contract on maintenance of monitoring and communication systems and procurement of spare parts for a term from 1 April 2018 to 31 March 2019. The total amount of the contract is expected to be not exceeding RMB14 million, of which it will be not exceeding RMB10 million from 1 April 2018 to 31 December 2018 and not exceeding RMB4 million from 1 January 2019 to 31 March 2019; (2) Guangjing Xicheng Company and Information Company will enter into a contract on maintenance of monitoring and communication systems and procurement of spare parts for a term from 1 April 2018 to 31 March 2019. The total amount of the contract is expected to be not exceeding RMB4.5 million, of which it will be not exceeding RMB3 million from 1 April 2018 to 31 December 2018 and not exceeding RMB1.5 million from 1 January 2019 to 31 March 2019; (3) Ningchang Zhenli Company and Information Company will enter into a contract on maintenance of monitoring and communication systems and procurement of spare parts for a term from 1 April 2018 to 31 March 2019. The total amount of the contract is expected to be not exceeding RMB2 million, of which it will be not exceeding RMB1.5 million from 1 April 2018 to 31 December 2018 and not exceeding RMB500,000 from 1 January 2019 to 31 March 2019. The

Company will monitor and control the circumstances to ensure that the total amount of entrusted construction would not exceed the relevant cap. The maintenance service fees would be paid after accepting relevant services using the internal capital of the Company, Guangjing Xicheng Company or Ningchang Zhenli Company.

2. Jiangsu Sundian provides the Company, Guangjing Xicheng Company and Ningchang Zhenli Company with repair and maintenance services for the section designated in written form and signed the Expressway Maintenance Services Contracts for a term from 1 April 2018 to 31 December 2018. The service fee for projects granted by the open tender shall be determined according to the tender price. The service fee for those granted by other means shall be determined through fair negotiation with reference to the prevailing market price which shall be verified by the independent and qualified construction cost consultation unit. In principle, the fee is not higher than the market price of the relevant work. Jiangsu Sundian would be granted the designated work with a cap of the maintenance service fees for 2018 contemplated under the agreement. It is estimated that the total amount of the project contract for the Company will be not exceeding RMB108 million in 2018. The total amount of the project contract for Guangjing Xicheng Company will be not exceeding RMB50 million in 2018 while the total amount of the project contract for Ningchang Zhenli Company will be not exceeding RMB35 million in 2018. The capped maintenance service fee was determined based on the estimated construction in 2018, and having considered the actual implementation in 2017. The Company will monitor and control the circumstances to ensure that the total amount of entrusted construction would not exceed the relevant cap. The maintenance service fees would be paid after accepting relevant services using the internal capital of the Company, Guangjing Xicheng Company or Ningchang Zhenli Company.
3. In light of the promotion of electronic toll collection (ETC) system, demands for ETC customer service outlets keep increasing. Each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company entered into an ETC Customer Service Outlets Management Agreement with Tongxingbao Company, pursuant to which certain toll collection station properties are leased to Tongxingbao Company as ETC customer service outlets. The agreements have a term beginning from 1 April 2018 to 31 March 2019. The fee includes rent, payment of utilities and payment of sewage fees. Upon calculation with reference to the fair value in the market, the maximum amount payable for the three ETC Customer Service Outlets Management Agreements is estimated to be not exceeding RMB108 million, of which for the Company, it will be no more than RMB810,000 (no more than RMB610,000 from 1 April 2018 to 31 December 2018 and no more than RMB200,000 from 1 January 2019 to 31 March 2019); for Ningchang Zhenli

Company, it will be no more than RMB70,000 (no more than RMB50,000 from 1 April 2018 to 31 December 2018 and no more than RMB20,000 from 1 January 2019 to 31 March 2019); and for Guangjing Xicheng Company, it will be no more than RMB200,000 (no more than RMB150,000 from 1 April 2018 to 31 December 2018 and no more than RMB50,000 from 1 January 2019 to 31 March 2019). The fees would be paid after accepting relevant services using the internal capital of the Company, Guangjing Xicheng Company or Ningchang Zhenli Company.

4. The Company, Guangjing Xicheng Company and Ningchang Zhenli Company entered into the expressway maintenance technology research and services contracts with Maintenance Technology Company for a term from 1 April 2018 to 31 December 2018. The main content of the transaction is that Maintenance Technology Company will provide the Company, Guangjing Xicheng Company and Ningchang Zhenli Company with expressway maintenance technology research and services in 2018. Upon calculation with reference to the fair value in the market, the annual maintenance technology research and services fee payable to Maintenance Technology Company by the Company, Guangjing Xicheng Company and Ningchang Zhenli Company will be not exceeding RMB7.9 million, RMB2.6 million and RMB2.6 million, respectively, in 2018 and total annual fee payable will be not exceeding RMB13.10 million. The fees would be paid after accepting relevant services using the internal capital of the Company, Guangjing Xicheng Company or Ningchang Zhenli Company.
5. The Company and Railway Investment Company entered into the property leasing agreement in respect of the office located at No. 189 Maqun Avenue, Nanjing, Jiangsu Province, with a term commencing from 1 April 2018 and expiring on 31 December 2020. Based on the fair price on the market, the annual rent is set at RMB3,612,400. Specifically, the annual rent is RMB2,709,300 for 2018 and RMB3,612,400 for 2019 and 2020, excluding management fees, maintenance fees, utilities and other expenses paid by lessee for the use of the premises. The rental fees will be paid on annual basis.

6. Guangjing Xicheng Company entered into the Yanqiao and Yixing Service Area Petrol Stations Leasing and Operation Agreement with Expressway Petroleum Company and the Guangling Service Area Petrol Stations Leasing and Operation Agreement with Taixing Oil Products Company, pursuant to which, petrol stations on both sides of its service area are leased to Expressway Petroleum Company and Taixing Oil Products Company, effective from 1 April 2018 to 31 December 2020. According to the rental fee standard of petrol station of Communications Holding, the calculation of the rent is determined as follows: based on the annual total fuel sales volume of each pair of petrol stations at RMB100/tonne for petrol station with annual fuel sales volume less than 10,000 tonnes/year; RMB110/tonne for petrol station with annual fuel sales volume of 10,000 to 20,000 tonnes (inclusive)/year; RMB120/tonne for petrol station with annual fuel sales volume of 20,000 to 30,000 tonnes (inclusive)/year; RMB130/tonne for petrol station with annual fuel sales volume of 30,000 to 40,000 tonnes (inclusive)/year; RMB140/tonne for petrol station with annual fuel sales volume of 40,000 tonnes or above per year, together with the guaranteed rental fees of RMB500,000 per year. Based on the actual fuel sales volume for 2017 and estimated growth of fuel sales volume in the coming three years, the aggregate amount of the contract for 2018 to 2020 is estimated to be not more than RMB7,500,000, RMB10,000,000 and RMB12,000,000, respectively. The rental fees will be paid on annual basis.
7. The Company and HuaTong Engineering Testing Company entered into the 2018 bridge emergency reinforcement and maintenance agreement, effective from 1 April 2018 to 31 December 2018. Pursuant to the agreement, the service fee for projects granted by open tender shall be determined according to the tender price. The service fee for those granted by other means shall be determined through fair negotiation with reference to the prevailing market price which shall be verified by the independent and qualified construction cost consultation unit. In principle, the fee is not higher than the market price of the relevant work and the target amount is expected not to exceed RMB1,510,000. After accepting relevant service, Ningchang Zhenli Company will pay relevant fees out of its own capital.

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

The various contracts are the ordinary business contracts of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company. The contract price is determined with reference to the fair price on the market, does not harm the interests of the Company, nor does it involve any benefit transfer to our Group's internal related/connected persons. By leveraging on synergies derived from the business of the Group's internal related/connected companies, the Company and its subsidiaries can save management costs and improve management efficiency to ensure effective operation of principal businesses. The income and profit of the Company and its subsidiaries 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.

Therefore, the board of directors of the Company is of the view that the seven transactions are conducted in the ordinary and usual course of business of the Company and its subsidiaries on normal commercial terms and the terms of the transaction 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 for shareholders' inspection in normal business hours at the registered office of the Company at 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC:

1. Resolution of the board of directors and minutes signed by directors
2. Written documents of independent directors in respect of the transactions and independent opinions expressed by them at the board of directors meeting prior to entering into the transactions
3. Resolution of the Supervisory Committee
4. Resolution of the Audit Committee
5. Relevant contracts in relation to the related/continuing connected transactions

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 23 March 2018

*As at the date of this announcement, the Directors of the Company are: Chang Qing, Gu Dejun, Wu Xinhua, Du Wenyi, Yao Yongjia, Hu Yu, Ma Chung Lai, Lawrence, Zhang Erzhen *, Zhang Zhuting *, Chen Liang * and Lin Hui **

** Independent Non-executive Directors of the Company*