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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 SUBSCRIPTION OF ASSET
MANAGEMENT SCHEME OF FUANDA FUND**

The board of directors (the “**Board**”) and all directors of the Company warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of this announcement.

Important Notice:

- Name of Asset Management Scheme: Fuanda – Fuxiang No. 15 Equity-Based Asset Management Scheme
- Asset manager: Fuanda Fund Management Co., Ltd.
- Asset custodian: Shanghai Branch of Bank of Jiangsu Co., Ltd.
- Amount of asset subject to management: no more than RMB1 billion. Prior to the subscription of the asset management scheme, the principal balance of the Company’s entrusted wealth management is RMB392,890,000.
- Term of asset management: no more than 4 years

I. OVERVIEW OF THE ASSET MANAGEMENT SCHEME

(1) Basic information on the Asset Management Scheme

On 26 October 2018, Jiangsu Expressway Company Limited (the “Company”) entered into the Contract on Asset Management in Relation to Fuanda –Fuxiang No. 15 Equity-Based Asset Management Scheme with Fuanda Fund Management Co., Ltd. and Shanghai Branch of Bank of Jiangsu Co., Ltd., pursuant to which, the Company, as the client, shall make a subscription in an amount of no more than RMB1 billion and the term of the asset management scheme shall be no more than 4 years.

(II) Internal approval procedures to be performed by the Company

On 26 October 2018, the Company convened the fourth meeting of the ninth session of the Board, at which the Resolution in Relation to the Subscription for an Asset Management Scheme of Fuanda Fund by the Company was considered and approved and it was agreed that the Company would use its self-owned funds to invest in “Fuanda-Fuxiang No. 15 Equity-Based Asset Management Scheme” set up by Fuanda Fund, in an effort to maximize the utilization of and gains from the funds of the Company. The Company, as the client, shall make a contribution in an amount of no more than RMB1 billion. The term of the asset management scheme shall not exceed 4 years. Mr. Sun Xibin and Mr. Yao Yongjia, being directors of the Company, were authorized to deal with relevant matters, including but not limited to, the execution of agreements and the allocation of funds.

II. BASIC INFORMATION ON THE PARTIES TO THE CONTRACT ON ENTRUSTED ASSET MANAGEMENT

1. Asset Manager

Name:	Fuanda Fund Management Co., Ltd.
Office address:	29/F, CSCEC Tower, No. 1568 Century Avenue, Pudong New Area, Shanghai
Legal representative:	Jiang Xiaogang
Date of establishment:	27 April 2011
Company type:	limited liability company (domestic joint venture)
Registered capital:	RMB818 million

2. Asset custodian

Name:	Shanghai Branch of Bank of Jiangsu Co., Ltd.
Office address:	1–2/F, No. 1128 Century Avenue, Pudong New Area, Shanghai
Person in charge:	Zhou Hong
Type:	joint stock limited company (listed)
Registered capital:	RMB11,544 million

The counterparties to the subscription of asset management scheme by the Company are not connected with the Company with respect to properties, businesses, assets, credit and debt, employees, etc. Fuanda Fund Management Co., Ltd. is held as to approximately 26% directly and indirectly by Jiangsu Communications Holding Company Limited (“Communications Holding”), the controlling shareholder of the Company, and the Bank of Jiangsu Co., Ltd. is held as to approximately 1.73% and 1.70% by the Company and the Communications Holding, respectively.

III. MAIN CONTENTS OF THE CONTRACT ON ENTRUSTED WEALTH MANAGEMENT

1. Name of the asset management scheme: Fuanda – Fuxiang No. 15 Equity-Based Asset Management Scheme
2. Type of the asset management scheme: Open, single asset management scheme
3. Investment objective of the asset management scheme: To maximize the stable return under controllable downside risks by grasping the investment opportunities of high-quality bank shares with low price-to-book ratio.
4. Investment scope and proportion of the asset management scheme: Cash, bank deposits, interbank deposit receipts, reverse repurchase of bonds, funds in monetary market, bank shares (including non-public issuance of shares by listed companies on the Shanghai Stock Exchange and Shenzhen Stock Exchange), and participation in subscription for shares in newly listed companies (which is not limited to bank shares). The investment portfolio of the entrusted properties will be subject to the following restrictions: the proportion of investment in a single stock shall not exceed 100% of the total asset value of the scheme; the proportion of investment in a single monetary fund shall not exceed 100% of the net asset value of the scheme; the

proportion of investment in shares and other equity assets after the normal operation of the scheme shall not be less than 80% of the total assets of the scheme; for participation in subscription for shares, the amount declared under the scheme shall not exceed the total assets of the scheme, and the number of shares declared shall not exceed the total number of shares to be issued by the intended issuer. The total number of shares issued by a single listed company held by all asset management schemes and public securities investment funds managed by the asset manager shall not exceed 30% of tradable shares of such listed company; other investment restrictions under laws and regulations, of China Securities Regulatory Commission and under the agreement.

5. Charges: The Company shall pay asset management fee and asset custody fee calculated based on the net asset value of the asset management scheme to Fuanda Fund Management Co., Ltd. and Shanghai Branch of Bank of Jiangsu Co., Ltd.
 - (a) Asset management fee (for each day) = Net value of the entrusted asset on the previous day x 0.2% ÷ total number of calendar days of the current year
 - (b) Asset custody fee (for each day) = Net value of the entrusted asset on the previous day x 0.04% ÷ total number of calendar days of the current year.

The asset manager shall manage and apply the entrusted properties in accordance with the principles of careful performance of duties, honesty and good faith, prudence and diligence but does not guarantee profit or minimum return.

6. Duration of the asset management scheme: 4 years
7. Subscription amount: The Company shall make a subscription with its own funds in an amount of no more than RMB1 billion.
8. Potential risks: The investment targets of the asset management scheme are mainly bank shares. The potential risks include market risk, management risk, liquidity risk, credit risk and other specific risks etc..
9. Risk control: The Company treats risk control as its first priority, strictly controls product investment and makes careful decisions. The Company will maintain close contact with the product issuer, track the operation of funds, and strengthen risk control and supervision, to ensure the safety of funds and strive to achieve stable appreciation of assets on the basis of strict risk control.

IV. OPINIONS OF DIRECTORS

The directors (including independent non-executive directors) of the Company are of the view that the investment in financial interests is conducive to maximizing the utilization efficiency of its idle funds, enhancement of the Company's income and fostering new contributor to profit growth as well as reduction of risks arising from the single industrial structure. The asset management scheme has no negative effects on the Company's future principal businesses, financial position, operating results and cash flow, and the terms of the agreement in relation to the transaction are considered to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

V. ACCUMULATED PURCHASE OF ASSET MANAGEMENT PRODUCTS BY THE COMPANY AS AT THE DATE OF THIS ANNOUNCEMENT

Save for the amount as disclosed in this announcement, the Company currently has no unmatured asset management products.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolution passed at the fourth meeting of the ninth session of the Board of the Company;
2. The Contract on Asset Management in Relation to Fuanda –Fuxiang No. 15 Equity-Based Asset Management Scheme entered into among the Company, Fuanda Fund Management Co., Ltd. and Shanghai Branch of Bank of Jiangsu Co., Ltd. and the appendices thereto.

By order of the Board
Yao Yongjia
Company Secretary

Nanjing, the PRC, 27 October 2018

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

Gu Dejun, Sun Xibin, Yao Yongjia, Chen Yanli, Chen Yongbing, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Zhuting, Chen Liang*, Lin Hui*, Zhou Shudong*, Liu Xiaoxing**

* *Independent non-executive directors*