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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 jointly and severally accept responsibility for the truthfulness, accuracy and completeness of its content.

On 22 March 2019,

- (1) The Maintenance Services Contracts were entered into between each of the Company, Guangjing Xicheng Company (a subsidiary of the Company) and Ningchang Zhenli Company (a wholly-owned subsidiary of the Company) and Jiangsu Sundian, with the cap of the total maintenance service fees under the three contracts for the period from 1 April 2019 to 31 December 2019 not exceeding RMB453 million;
- (2) The contracts on maintenance of monitoring and communication systems and procurement of spare parts were entered into between each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company, and Information Company, with the estimated total amount under the three contracts not exceeding RMB32 million for the period from 1 April 2019 to 31 December 2019 and not exceeding RMB3 million for the period from 1 January 2020 to 31 March 2020;

(3) The following contracts were entered into between each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company and Tongxingbao Company:

- (i) The ETC Customer Service Outlets Management Agreements, with the estimated total amount under the three contracts not exceeding RMB690,000 for the period from 1 April 2019 to 31 December 2019 and not exceeding RMB270,000 for the period from 1 January 2020 to 31 March 2020;

The following contracts were entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company (a subsidiary of the Company), and Tongxingbao Company:

- (i) The Supplementary Agreements to the Expressway Network Technical Services Framework Agreements, with the estimated total amount under the four contracts not exceeding RMB8.18 million for the period from 1 April 2019 to 31 December 2019;
- (ii) The Technical Service Contracts on Coordination, Command and Dispatch Cloud Platform (《協同指揮調度雲平台技術服務合同》), for a term from 22 March 2019 to 31 December 2021. It is estimated that the total annual amount for use of the cloud-based platform under the four contracts will not exceed RMB3.81 million;

(4) The 2019 Maintenance Technology Research and Services Contracts were entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company, and Maintenance Technology Company, with the annual fees payable under the four contracts not exceeding RMB16.8 million for 2019;

(5) The Service Area Petrol Stations Leasing and Operation Agreement was entered into between Ningchang Zhenli Company and Expressway Petroleum Company, with the estimated total amount under the agreement not exceeding RMB4.89 million, RMB6.64 million and RMB6.79 million for 2019, 2020 and 2021, respectively; and

(6) The 2019 Bridge Emergency Reinforcement and Maintenance Agreement was entered into between Ningchang Zhenli Company and HuaTong Engineering Testing Company, with the estimated amount under the agreement not exceeding RMB4.5 million.

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 six resolutions are related persons of the Company, the six transactions constitute related transactions. Besides, the aggregated calculations of related transactions are subject to 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. As Communications Holding, the controlling shareholder of the Company, holds, directly or indirectly, 30% or more equity interest in Jiangsu Sundian, Information Company, Tongxingbao Company, Maintenance Technology Company, Expressway Petroleum Company and HuaTong Engineering Testing Company, the counterparties concerned are the connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules. As such, the execution of the relevant contracts and agreements and the transactions thereunder constitute continuing connected transactions of the Company. The applicable percentage ratios (other than the profit ratio) of the ETC Customer Service Outlets Management Agreements, the Technical Service Contracts on Coordination, Command and Dispatch Cloud Platform and the Bridge Emergency Reinforcement and Maintenance Agreement are less than 0.1%, therefore, the transactions thereunder are not subject to the announcement requirements or independent shareholders' approval. The applicable percentage ratios (other than the profit ratio) of the other contracts are all less than 5%, therefore, the transactions thereunder are only subject to 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. The transactions under other contracts abovementioned shall also be subject to the annual review requirements in accordance with Rule 14A.55 to Rule 14A.59 under the Hong Kong Listing Rules.

IMPORTANT NOTICE :

- 1. The 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 six transactions are conducted in the ordinary and usual course of business of the Company 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 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 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 22 March 2019, the board of directors of Jiangsu Expressway Company Limited (the “**Company**”) considered and approved the following ordinary related/continuing connected transactions:

- (1) The Expressway Maintenance Services Contracts (“**Maintenance Services Contracts**”) entered into between each of the Company, Jiangsu Guangjing Xicheng Expressway Company Limited (“**Guangjing Xicheng Company**”), a subsidiary of the Company, and Jiangsu Ningchang Zhenli Expressway Company Limited (“**Ningchang Zhenli Company**”), a wholly-owned subsidiary of the Company, and Jiangsu Sundian Engineering Co., Ltd. (“**Jiangsu Sundian**”);
- (2) The contracts on maintenance of monitoring and communication systems and procurement of spare parts entered into between each of the Company, Guangjing Xicheng Company and Ningchang Zhenli 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**”);
- (3) The ETC Customer Service Outlets Management Agreements entered into between each of the Company, Guangjing Xicheng Company, and Ningchang Zhenli Company, and Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (“**Tongxingbao Company**”). The Supplementary Agreements to the Expressway Network Technical Services Framework Agreements and the Technical Service Contracts on Coordination, Command and Dispatch Cloud Platform entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Jiangsu Zhendan Expressway Company Limited (“**Zhendan Company**”), a subsidiary of the Company, and Tongxingbao Company;
- (4) The 2019 maintenance technology research and services contracts entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company, Zhendan Company, and Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (“**Maintenance Technology Company**”);
- (5) The Service Area Petrol Stations Leasing and Operation Agreement entered into between Ningchang Zhenli Company and Jiangsu Expressway Petroleum Company Development Co., Ltd. (“**Expressway Petroleum Company**”); and
- (6) The 2019 agreements on bridge displacement detection, bridge design and reinforcement and maintenance entered into between Ningchang Zhenli Company and Jiangsu HuaTong Engineering Testing Co., Ltd. (“**HuaTong Engineering Testing Company**”).

Mr. Gu Dejun, Mr. Chen Yanli and Mr. Chen Yongbing, being related/connected directors, have abstained from voting on the six resolutions. All the remaining directors have voted in favor of the resolutions, and are of the view that the transactions are on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

Five independent directors of the Company have conducted a prior review on the aforementioned ordinary related transactions and issued their independent opinions on the assessment of such ordinary related 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 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 six resolutions are related persons of the Company, the six transactions constitute related transactions. Besides, the aggregated calculations of related transactions are subject to 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. As Communications Holding, the controlling shareholder of the Company, holds, directly or indirectly, 30% or more of the equity interest in Jiangsu Sundian, Information Company, Tongxingbao Company, Maintenance Technology Company, Expressway Petroleum Company and HuaTong Engineering Testing Company, the counterparties concerned are the connected persons of the Company under Rule 14A.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). As such, the execution of the relevant contracts and agreements and the transactions thereunder constitute continuing connected transactions of the Company. The applicable percentage ratios (other than the profit ratio) of the ETC Customer Service Outlets Management Agreements, the Technical Service Contracts on Coordination, Contracts on Use of Cloud Dispatch Platform and the 2019 Bridge Emergency Reinforcement and Maintenance Agreement are less than 0.1%, therefore, the transactions thereunder are not subject to the requirements of announcement and independent shareholders’ approval. The applicable percentage ratios (other than the profit ratio) of the other contracts are all less than 5%, therefore, the transactions thereunder are only subject to 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. The transactions under other contracts abovementioned shall also be subject to the annual review requirements in accordance with Rule 14A.55 to Rule 14A.59 under the Hong Kong Listing Rules.

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

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

RMB0'000

Category of related/continuing connected transaction	Related/connected person	2016 (Previous)		2017 (Previous)		2018 (Previous)		Reason for Large Difference between Estimated Amount and Actual Amount Incurred
		Estimated Amount	Actual Amount Incurred	Estimated Amount	Actual Amount Incurred	Estimated Amount	Actual Amount Incurred	
Services accepted by the Company	Jiangsu Sundian	3,500	3,166	5,400	2,126	14,400	14,389	2017: The project was postponed to 2018 due to the overall progress of certain construction works and seasonal reasons
	Information Company	/	0	/	198	1,000	721	2017: The service provider was determined through an open bidding process, which was not expected at the beginning of the year
	Tongxingbao Company	/	0	750	707	1,000	848	/
	Maintenance Technology Company	/	0	450	368	790	693	/
	Subtotal	3,500	3,166	6,600	3,399	17,190	16,651	/
Services accepted by Guangjing Xicheng Company	Jiangsu Sundian	3,000	2,719	2,800	2,478	5,000	4,277	/
	Information Company	/	359	1,600	402	620	564	2016: The service provider was determined through an open bidding process, which was not expected at the beginning of the year 2017: The service items were determined through an open bidding process, and the actual bid price was less than the estimated amount
	Tongxingbao Company	/	0	250	180	330	220	/
	Maintenance Technology Company	/	0	150	121	260	226	/
	Subtotal	3,000	3,078	4,800	3,181	6,210	5,287	/

Category of related/continuing connected transaction	Related/connected person	2016 (Previous)		2017 (Previous)		2018 (Previous)		Reason for Large Difference between Estimated Amount and Actual Amount Incurred
		Estimated Amount	Actual Amount Incurred	Estimated Amount	Actual Amount Incurred	Estimated Amount	Actual Amount Incurred	
Services accepted by Ningchang Zhenli Company	Jiangsu Sundian	2,300	1,713	2,500	1,821	3,500	2,826	2017: The project was postponed to 2018 due to the overall progress of certain construction works and seasonal reasons
	Information Company	/	45	400	78	230	81	2016: The service provider was determined through an open bidding process, which was not expected at the beginning of the year 2017: The service items were determined through an open bidding process, and the actual bid price was less than the estimated amount
	Tongxingbao Company	/	0	200	166	300	218	/
	Maintenance Technology Company	/	0	150	115	260	228	/
	HuaTong Engineering Testing Company	/	0	/	0	151	129	/
	Subtotal		2,300	1,758	3,250	2,180	4,441	3,482
Services accepted by Zhendan Company	Tongxingbao Company	/	0	/	0	10	5	/
	Maintenance Technology Company	/	0	/	0	/	0	/
	Subtotal	/	0	/	0	10	5	/
Leasing provided by the Company	Tongxingbao Company	/	0	560	0	173	74	2018: The actual amount was less
	Subtotal	/	0	560	0	173	74	/
Leasing provided by Guangjing Xicheng Company	Tongxingbao Company	/	0	120	0	39	5	2017: Tongxingbao Company ceased to rent POS machines from the Company from July, resulting a decrease in swipe fees 2018: The actual amount was less
	Subtotal	/	0	120	0	39	5	/
Leasing provided by Ningchang Zhenli Company	Tongxingbao Company	/	0	20	0	9	4	/
	Expressway Petroleum Company	1,000	702	1,300	797	1,700	619	2018: The actual amount was less
	Subtotal	1,000	702	1,320	797	1,709	623	/
Total	/	<u>9,800</u>	<u>8,704</u>	<u>16,650</u>	<u>9,557</u>	<u>29,772</u>	<u>26,127</u>	/

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

RMB0'000

Category of related/continuing connected transactions	Related/connected person	Estimated Amount of 2019	Proportion in business of the same kind (%)	Accumulated Transaction Amount Incurred with related/ connected persons from the Beginning of 2019 to the Date of This Announcement	Actual Amount Incurred of 2018	Proportion in business of the same kind (%)	Reason for Large Difference between Current Estimated Amount and Actual Amount Incurred last year
Services accepted by the Company	Jiangsu Sundian	30,000	55.59	100	14,389	56.6	The use of relevant services is expected to increase in 2019
	Information Company	1,300	2.41	0	720	2.83	The use of relevant services is expected to increase in 2019
	Tongxingbao Company	2,150	3.98	120	848	3.34	The use of relevant services is expected to increase in 2019
	Maintenance Technology Company	985	1.83	0	693	2.73	/
	Subtotal	34,435	63.81	220	16,650	65.48	/
Services accepted by Guangjing Xicheng Company	Jiangsu Sundian	12,000	22.24	0	4,277	16.82	The use of relevant services is expected to increase in 2019
	Information Company	1,520	2.82	9	564	2.22	The use of relevant services is expected to increase in 2019
	Tongxingbao Company	680	1.26	0	220	0.87	The use of relevant services is expected to increase in 2019
	Maintenance Technology Company	330	0.61	0	226	0.89	/
	Subtotal	14,530	26.93	9	5,287	20.8	/

Category of related/continuing connected transactions	Related/connected person	Estimated Amount of 2019	Proportion in business of the same kind (%)	Accumulated Transaction Amount Incurred with related/connected persons from the Beginning of 2019 to the Date of This Announcement	Actual Amount Incurred of 2018	Proportion in business of the same kind (%)	Reason for Large Difference between Current Estimated Amount and Actual Amount Incurred last year
Services accepted by Ningchang Zhenli Company	Jiangsu Sundian Information Company	3,300	6.12	0	2,826	11.12	/
		200	0.37	39	81	0.32	The use of relevant services is expected to increase in 2019
	Tongxingbao Company	630	1.17	0	218	0.86	The use of relevant services is expected to increase in 2019
	Maintenance Technology Company	335	0.62	0	228	0.9	/
	HuaTong Engineering Testing Company	450	0.83	0	129	0.5	The use of relevant services is expected to increase in 2019
	Subtotal	4,915	9.11	39	3,482	13.7	/
Services accepted by Zhendan Company from the related/connected person	Tongxingbao Company	53	0.1	4	5	0.02	The use of relevant services is expected to increase in 2019
	Maintenance Technology Company	30	0.05	0	0	0	The use of relevant services is expected to increase in 2019
	Subtotal	83	0.15	4	5	0.02	/
Services accepted from related/connected persons	Total	53,963	100	272	25,424	100	/
Leasing provided by the Company	Tongxingbao Company	70	3.51	17	74	10.54	/
	Subtotal	70	3.51	17	74	10.54	/
Leasing provided by Guangjing Xicheng Company	Tongxingbao Company	20	1	0	5	0.71	/
	Subtotal	20	1	0	5	0.71	/
Leasing provided by Ningchang Zhenli Company	Tongxingbao Company	6	0.3	0	4	0.57	/
	Expressway Petroleum Company	1,900	95.19	0	619	88.18	The refueling volume is expected to increase in 2019
	Subtotal	1,906	95.49	0	623	88.75	/
Leasing provided for related/connected persons	Total	1,996	100	17	702	100	/
Total	/	<u>55,959</u>	<u>/</u>	<u>289</u>	<u>26,126</u>	<u>/</u>	<u>/</u>

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:	Gu Dejun
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 (2018):	RMB48,162,729,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB29,353,857,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB9,969,011,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB4,475,711,000 (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:	Wu Shanggang
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 (2018):	RMB10,967,044,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB6,258,137,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB1,316,435,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB656,670,000 (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:	Cao Youxiang
Registered capital:	RMB8,000,000,000
Principal business:	Construction, management, maintenance and toll collection of expressways
Total assets at the end of the latest business accounting period (2018):	RMB6,427,419,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB6,313,043,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB1,191,415,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB414,951,000 (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:	Yuan Shouguo
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 (2018):	RMB630,939,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB174,807,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB652,173,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB67,740,000 (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
Business nature:	Limited liability company
Legal representative:	Cui Xiaolong
Registered capital:	RMB50,000,000
Principal business:	Electromechanical system construction, software research and development, and system maintenance for expressways, etc.
Total assets at the end of the latest business accounting period (2018):	RMB131,900,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB72,176,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB99,819,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB8,546,000 (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:	Wang Mingwen
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):	RMB4,091,550,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2017):	RMB220,270,000 (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):	RMB3,579,300,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2017):	RMB128,880,000 (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:	Wu Zanping
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 (2018):	RMB51,407,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB34,911,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB59,684,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB3,364,000 (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:	Other limited liability 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 (2018):	RMB718,142,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB487,470,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB7,623,248,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB152,324,000 (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 (2018):	RMB391,750,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest business accounting period (2018):	RMB115,620,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Main business revenue at the end of the latest business accounting period (2018):	RMB215,470,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest business accounting period (2018):	RMB8,920,000 (In accordance with the Accounting Standards for Business Enterprises of the PRC)

(II) Related/connected Relationship with the Listed Company

As Jiangsu Communications Holding Company Limited (“**Communications Holding**”), the controlling shareholder of the Company, is the controlling shareholder or actual controller of Jiangsu Sundian, Information Company, Tongxingbao Company, Maintenance Technology Company, Expressway Petroleum Company and HuaTong Engineering Testing Company, the counterparties concerned are related/connected 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. As Communications Holding directly and indirectly holds 30% or more of equity interest in Jiangsu Sundian, Information Company, Tongxingbao Company, Maintenance Technology Company, Expressway Petroleum Company and HuaTong Engineering Testing Company, the counterparties concerned are connected persons of the Company, therefore the execution of relevant contracts and agreements and the transactions thereunder constitute continuing connected transactions of the Company under Rule 14A.07 of the Hong Kong Listing Rules.

(III) Performance Capability Analysis of Related/Connected Party

As Jiangsu Sundian, Information Company, Tongxingbao Company, Maintenance Technology Company, Expressway Petroleum 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 6 transactions.

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

On 22 March 2019,

1. Agreements entered into with Jiangsu Sundian:

Jiangsu Sundian shall provide repair and maintenance services on road sections designated by the Company, Guangjing Xicheng Company and Ningchang Zhenli Company in writing. 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 entity. In principle, the fee shall not be higher than the market price of the relevant work. Works to be designated to Jiangsu Sundian should be subject to the capped maintenance service fees for the period from 1 April 2019 to 31 December 2019 contemplated under the agreements. According to the estimated workload for the period from 1 April 2019 to 31 December 2019, it is estimated that the total amount of the project contract for the Company, Guangjing Xicheng Company and Ningchang Zhenli Company will be not exceeding RMB300 million, RMB120 million and RMB33 million, respectively. The cap of maintenance service fee was determined based on the estimated construction for the period from 1 April 2019 to 31 December 2019, and having considered the actual implementation in 2018. 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 in cash using the internal resources of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company according to the project progress payment schedule stipulated in the contracts.

2. Agreements entered into with Information Company:

Information Company shall provide 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 entity. In principle, the fee shall not be higher than the market price of the relevant work. According to the estimated workload for the period from 1 April 2019 to 31 December 2019, (1) the Company and Information Company will enter into a project contract involving maintenance of the three major systems, procurement of spare parts and related upgrade and transformation of such systems, for a term from 1 April 2019 to 31 March 2020. The total amount of the contract is expected to be not exceeding RMB13 million, of which it will be not exceeding RMB12 million from 1 April 2019 to 31 December 2019 and not exceeding RMB1 million from 1 January 2020 to 31 March 2020; (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 2019 to 31 March 2020. The total amount of the contract is expected to be not exceeding RMB15.20 million, of which it will be not exceeding RMB13.70 million from 1 April 2019 to 31 December 2019 and not exceeding RMB1.5 million from 1 January 2020 to 31 March 2020; and (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 2019 to 31 March 2020. 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 2019 to 31 December 2019 and not exceeding RMB500,000 from 1 January 2020 to 31 March 2020. The Company will monitor and control the circumstances to ensure that the total amount of entrusted construction would not exceed the relevant cap. The fees under the contracts would be paid in cash using the internal resources of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company after receiving the related services.

3. Agreements entered into with Tongxingbao Company:

- (1) In light of the rapid 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 2019 to 31 March 2020. The fee includes rent, payment of utilities and payment of sewage fees. The rent is calculated by multiplying the replacement cost by an annualized coefficient. The maximum amount payable for the three ETC Customer Service Outlets Management Agreements is estimated to be not exceeding RMB960,000, of which, (1) for the Company, it will be not more than RMB700,000 (not more than RMB500,000 from 1 April 2019 to 31 December 2019 and not more than RMB200,000 from 1 January 2020 to 31 March 2020); (2) for Guangjing Xicheng Company, it will be not more than RMB200,000 (not more than RMB150,000 from 1 April 2019 to 31 December 2019 and not more than RMB50,000 from 1 January 2020 to 31 March 2020); and (3) for Ningchang Zhenli Company, it will be not more than RMB60,000 (not more than RMB40,000 from 1 April 2019 to 31 December 2019 and not more than RMB20,000 from 1 January 2020 to 31 March 2020). The fees under the agreements would be paid in cash by Tongxingbao Company in advance on a quarterly basis.
- (2) In 2017, as considered and approved at the fourteenth meeting of the eighth session of the Board of the Company, the Company and its subsidiaries Guangjing Xicheng Company and Ningchang Zhenli Company entered into an Expressway Network Technical Services Agreement with Tongxingbao Company, respectively. The technical services included the purchase and distribution of the electronic label (OBU) and CPU card used for the electronic toll collection systems of expressways, the promotion of the ETC systems and establishment, management, marketing and after-sale services for customer service outlets of the expressways in Jiangsu Province. Determined by negotiation with reference to the standard price stipulated by the China Price Bureau, the charging rate for technical services is 3.5‰ of non-cash toll fee revenue. The term of the agreements is three years (from 1 January 2017 to 31 December 2019). The then expected caps for the transaction amounts under the three Expressway Network Technical Services Agreements in 2019 are as follows: not exceeding RMB12.50 million for the Company; not exceeding RMB4.40 million for Guangjing Xicheng Company; and not exceeding RMB4.20 million for Ningchang Zhenli Company.

In August 2018, as considered and approved at the third meeting of the ninth session of the Board of the Company, Zhendan Company, a subsidiary of the Company, entered into an Expressway Network Technical Services Agreement with Tongxingbao Company. The technical services and charging rate were the same as those of the abovementioned 3 companies. The term of the agreement is from 1 October 2018 to 31 December 2019 and the transaction amount in 2019 shall not exceed RMB200,000.

In October 2018, Tongxingbao Company provided the installation, implementation and maintenance services for mobile payment terminal of code scanning at expressway toll stations of the companies connected with its system, and provided fund clearing services through its own Jiangsu Expressway Mobile Payment Clearing Platform and expressway network management function. As mobile payment is one of the non-cash payment methods, the Company and its 3 subsidiaries shall pay for network technical services for the toll fee realized through mobile payment at 3.5‰ of non-cash toll fee revenue, which is determined by negotiation with reference to the standard price stipulated by the Chinese price authorities and is consistent with the charging rate under the original agreement.

As a result, the Company and its subsidiaries Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company entered into the Supplementary Agreement to Expressway Network Technical Services Agreement with Tongxingbao Company in relation to mobile payment services, pursuant to which the caps for the technical service fee for the toll fee collected by way of mobile payment in 2019 are as follows: no exceeding RMB7 million for the Company, not exceeding RMB1.50 million for Guangjing Xicheng Company, not exceeding RMB1.40 million for Ningchang Zhenli Company and not exceeding RMB120,000 for Zhendan Company. The fees under the agreements would be paid by cash after accepting the relevant service using the internal resources of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company.

- (3) Based on the needs for the management and operation of the expressway network, Tongxingbao Company provides its expressway network members with technical services on coordination, command and dispatch cloud platform, therefore, each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company entered into the Technical Service Contracts on Coordination, Command and Dispatch Cloud Platform for a term from 22 March 2019 to 31 December 2021. The platform service fee standards are as follows: RMB100,000 per dispatch point, RMB50,000 per data aggregation point, RMB1,000 per kilometer, and RMB1,000 per information point. According to the estimated services for the coming three years, the maximum amount payable for using the platform by the Company and its three subsidiaries in the forthcoming three years is expected to be RMB11.43 million with platform charges per annum not exceeding RMB3.81 million, of which, it will be not more than RMB2 million/year for the Company, not more than RMB900,000/year for Guangjing Xicheng Company, not more than RMB700,000/year for Ningchang Zhenli Company, and not more than RMB210,000/year for Zhendan Company. The fees under the agreements would be paid in cash using the internal resources of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company after receiving the related services.

4. Agreements entered into with Maintenance Technology Company:

The main content of the transaction entered into between each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company, and Maintenance Technology Company is as follows: Maintenance Technology Company will provide the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company with expressway maintenance technology research and services in 2019. According to the estimated services for the period from 1 April 2019 to 31 December 2019, it is estimated that the annual maintenance technology research and services fee payable to Maintenance Technology Company by each of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company will not be exceeding RMB9.85 million, RMB3.30 million, RMB3.35 million and RMB300,000, respectively, in 2019 and total annual fee payable will be not exceeding RMB16.80 million. The fees under the agreements would be paid in cash using the internal resources of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company after receiving the related services.

5. Agreement entered into with Expressway Petroleum Company:

Ningchang Zhenli Company entered into the Service Area Petrol Stations Leasing Agreement with Expressway Petroleum Company, pursuant to which, petrol stations at Rongbing Service Area, Gehu Service Area, Changdanghu Service Area and Maoshan Service Area will be leased to Expressway Petroleum Company, effective from 1 April 2019 to 31 December 2021. 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 base rental fees of RMB500,000 per year. Based on the actual fuel sales volume for 2018 and estimated growth of fuel sales volume in the coming three years, the aggregate amount of the contract for the period from 2019, 2020 and is estimated to be not more than RMB4.89 million, RMB6.64 million and RMB6.79 million, respectively. Fees under the agreement will be paid in cash by Expressway Petroleum Company annually on the basis of the total fuel sales volume.

6. Agreement entered into with HuaTong Engineering Testing Company :

Ningchang Zhenli Company and HuaTong Engineering Testing Company entered into the 2019 agreement on bridge displacement detection, bridge design and reinforcement and maintenance, pursuant to which, 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 shall not be higher than the market price of the relevant work. According to the estimated workload for 2019, the target amount will not exceed RMB4.50 million. The fees under the agreement would be paid in cash using the internal resources of Ningchang Zhenli Company after receiving the related services.

The Company will monitor and control the circumstances to ensure that the total amount of the agreement would not exceed the relevant cap.

IV. PURPOSE OF THE TRANSACTIONS AND THEIR EFFECTS ON THE COMPANY

The various contracts are the ordinary business contracts of the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan 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 related/connected persons. By leveraging on synergies derived from the business of Communications Holding's internal related 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 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 six 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 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

1. Resolution of the board of directors and minutes signed by directors
2. Written documents of independent directors in respect of the six 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 transactions

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 22 March 2019

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*