ANNOUNCEMENT
RELATED PARTY/CONNECTED TRANSACTIONS
IN RESPECT OF LENDING TO CONTROLLED SUBSIDIARIES

The board of directors 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 its contents.

At the twenty-eighth meeting of the ninth session of the Board of the Company held on 26 March 2021, the Resolution on the Provision of Loans by the Company to Wufengshan Toll Bridge Company and the Resolution on the Provision of Loans by the Company to Guangjing Xicheng Company were considered and approved. The Company proposes to use proceeds raised from direct financing to provide loans of not more than RMB1 billion to Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, for construction of the Wufengshan projects, replacement of project loans, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations; and to provide loans of not more than RMB0.8 billion to Guangjing Xicheng Company, a controlled subsidiary of the Company, for replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations.
The valid period for execution of the above loans shall be two years from the date of the approval at the general meeting, and the term of the above loans is three years. Interest of loans is calculated on the basis of prevailing interest rates of direct financing products to be issued. The expenses in relation to issuance of financing products and repayment of principal and interest shall be borne and paid by the above subsidiaries. Since the issuance of financing products has been considered and approved at the Board meeting but has not yet been approved at the general meeting and officially launched, the actual amount of the loans provided by the Company will depend on the actual circumstances, provided that the above limits shall not be exceeded. On 26 March 2021, the Company entered into conditional loan agreements with Wufengshan Toll Bridge Company and Guangjing Xicheng Company, respectively.

Due to the pandemic in 2020, the loan of RMB0.6 billion, to be provided to Guangjing Xicheng Company with the proceeds to be raised from the medium-term notes as agreed in the original loan agreement dated 31 March 2020, has not been withdrawn. In order to broaden the sources of funds, the Company and Guangjing Xicheng Company signed a termination agreement on 26 March 2021.

The Company will provide loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company, both being controlled subsidiaries of the Company, while other shareholders of the above subsidiaries will not provide financial assistance. The financial assistance provided by the Company which exceeds the proportion of its equity or investment in the company in which the Company co-invests with its related persons constitutes a related party transaction under Article 12 of the Implementation Guidelines for Related Party Transactions of Listed Companies on Shanghai Stock Exchange (《上海证券交易所上市公司关联交易实施指引》). These transactions are subject to consideration at the general meeting and related shareholders shall abstain from voting thereon.

As Communications Holding, the controlling shareholder of the Company, holds 10% or more of the voting rights of Wufengshan Toll Bridge Company and China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and 10% or more of the voting rights of Guangjing Xicheng Company, Wufengshan Toll Bridge Company and Guangjing Xicheng Company are connected subsidiaries of the Company pursuant to Rules 14A.16(1) of the Hong Kong Listing Rules. The financial assistance provided by the Company to Wufengshan Toll Bridge Company and Guangjing Xicheng Company is connected transactions. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules for each of the Wufengshan Loan and the Guangjing Xicheng Loan is more than 0.1% but not more than 5%, they are only subject to announcement requirement under the Hong Kong Listing Rules.
These transactions will be submitted to the 2020 annual general meeting for consideration. A circular containing, among others, details of these transactions and a notice of the general meeting is expected to be despatched to H shareholders on or before 30 April 2021.

Warning:

As the Wufengshen Loan and Guangjing Xicheng Loan are subject to fulfillment of the conditions precedent set out in the section “V. MAJOR CONTENTS AND PERFORMANCE ARRANGEMENTS OF THE RELATED/CONNECTED TRANSACTION”, the Wufengshen Loan and Guangjing Xicheng Loan may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

IMPORTANT NOTICE:

1. The pricing of the related party/connected transactions is fair and reasonable. The related party/connected transactions have no adverse impact on the Company, will not impair the interests of the Company or non-related/connected shareholders, in particular those of the minority shareholders, and are in the interests of the Company and its shareholders as a whole. And the risks associated with the related party/connected transactions are controllable.

2. During the past twelve months, there was no transaction between the Company and Jiangsu Wufengshan Toll Bridge Company Limited (“Wufengshan Toll Bridge Company”).

During the past twelve months, various transactions between the Company and Jiangsu Guangjing Xicheng Expressway Limited (“Guangjing Xicheng Company”) amounted to RMB1 billion.

During the past twelve months, similar transactions (excluding these transactions) between the Company and different related parties amounted to RMB1 billion.

3. These related party/connected transactions are subject to approval by shareholders at the general meeting.
I. OVERVIEW OF THE RELATED PARTY/CONNECTED TRANSACTIONS

At the twenty-eighth meeting of the ninth session of the Board of Jiangsu Expressway Company Limited (the “Company”) held on 26 March 2021, the Resolution on the Provision of Loans by the Company to Wufengshan Toll Bridge Company and the Resolution on the Provision of Loans by the Company to Guangjing Xicheng Company were considered and approved. The Company proposes to use proceeds raised from direct financing to provide loans of not more than RMB1 billion to Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, for construction of the Wufengshan projects, replacement of project loans, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations; and to provide loans of not more than RMB0.8 billion to Guangjing Xicheng Company, a controlled subsidiary of the Company, for replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations. The valid period for execution of the above loans shall be two years from the date of the approval at the general meeting, and the term of the above loans is three years. Interest of loan is calculated on the basis of prevailing interest rates of direct financing products to be issued. The expenses in relation to issuance of financing products and repayment of principal and interest shall be borne and paid by the above subsidiaries. Since the issuance of financing products has been considered and approved at the Board meeting but has not yet been approved at the general meeting and officially launched, the actual amount of the loans provided by the Company will depend on the actual circumstances, provided that the above limits shall not be exceeded. On 26 March 2021, the Company entered into conditional loan agreements with Wufengshan Toll Bridge Company and Guangjing Xicheng Company, respectively.

Due to the pandemic in 2020, the loan of RMB0.6 billion, to be provided to Guangjing Xicheng Company with the proceeds to be raised from the medium-term notes as agreed in the original loan agreement dated 31 March 2020, has not been withdrawn. In order to broaden the sources of funds, the Company and Guangjing Xicheng Company signed a termination agreement on 26 March 2021. The Company will provide loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company, both being controlled subsidiaries of the Company, while other shareholders of the above subsidiaries will not provide financial assistance. The financial assistance provided by the Company which exceeds the proportion of its equity or investment in the company in which the Company co-invests with its related persons constitutes a related party transaction under Article 12 of the Implementation Guidelines for Related Party Transactions of Listed Companies on Shanghai Stock Exchange (《上海证券交易所上市公司关联交易实施指引》). These transactions are subject to consideration at the general meeting and related shareholders shall abstain from voting thereon.
These related party transactions do not constitute a material asset restructuring under the Measures for Administration of Material Asset Restructuring of Listed Companies (《上市公司重大资产重组管理办法》).

These transactions will be submitted to the 2020 annual general meeting for consideration. A circular containing, among others, details of these transactions and a notice of the general meeting is expected to be despatched to H shareholders on or before 30 April 2021.

II. INFORMATION ON RELATED PARTIES/CONNECTED PERSONS

(I) Information on the relationships with the related/connected persons

Jiangsu Communications Holding Company Limited ("Communications Holding"), the controlling shareholder of the Company, holds 22.01% of the equity interest in Wufengshan Toll Bridge Company in which the Company and the related party jointly invested. The Company unilaterally provides a loan to Wufengshan Toll Bridge Company (the "Wufengshan Loan") that constitutes a related party transaction pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and is subject to approval at the general meeting.

China Merchants Expressway Network & Technology Holdings Co., Ltd. ("China Merchants Expressway"), the second largest shareholder of the Company, holds 15% of the equity interest in Guangjing Xicheng Company in which the Company and the related party jointly invested. The Company unilaterally provides a loan to Guangjing Xicheng Company (the "Guangjing Xicheng Loan") that constitutes a related party transaction pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and is subject to approval at the general meeting.

As Communications Holding, the controlling shareholder of the Company, holds 10% or more of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a connected subsidiary of the Company, as such, the financial assistance provided by the Company to Wufengshan Toll Bridge Company is a connected transaction under Rule 14A.16(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"). As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 0.1% but less than 5%, the Wufengshan Loan is only subject to announcement requirement under the Hong Kong Listing Rules.
As China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and 15% equity interest in Guangjing Xicheng Company, Guangjing Xicheng Company is a connected subsidiary of the Company. The financial assistance provided by the Company to Guangjing Xicheng Company is a connected transaction under Rules 14A.16(1) of Hong Kong Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 0.1% but not more than 5%, the Guangjing Xicheng Loan (aggregated with (1) the loan totaling not more than RMB1.1 billion which was provided by the Company to Guangjing Xicheng Company pursuant to the loan agreement dated 31 March 2020, of which RMB0.5 billion has been withdrawn and RMB0.6 billion has not been withdrawn due to cancellation upon signing of the termination agreement, and (2) the loan totaling not more than RMB0.5 billion which was provided by the Company to Guangjing Xicheng Company pursuant to the loan agreement dated 31 October 2020, and therefore the total amount is RMB1.8 billion) is only subject to announcement requirement under the Hong Kong Listing Rules.

As the Wufengshen Loan and Guangjing Xicheng Loan are subject to fulfillment of the conditions precedent set out in the section “V. MAJOR CONTENTS AND PERFORMANCE ARRANGEMENTS OF THE RELATED/CONNECTED TRANSACTIONS”, the Wufengshen Loan and Guangjing Xicheng Loan may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

(II) Basic information on the related parties

Jiangsu Communications Holdings Company Limited (Note 1)

Registered office: No. 291 Zhongshan East Road, Nanjing

Company type: Limited liability company (wholly state-owned)

Legal representative: Cai Renjie

Registered capital: RMB16,800,000,000
Principal business: Operation and management of state-owned assets (within the scope of authorization of the provincial government); investment, construction, operation and management of transport infrastructure, transportation and other related sectors; toll collection of highways; and industry investment and domestic trading. (Projects subject to the approval of the relevant departments shall be approved by the relevant departments before being carried out)

Total assets as at the end of the latest accounting period (2019): RMB537,349,835,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net assets as at the end of the latest accounting period (2019): RMB219,379,070,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Revenue from operations for the latest accounting period (2019): RMB51,116,004,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net profit for the latest accounting period (2019): RMB10,830,977,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note 1: Ultimate beneficial owner: Jiangsu Communications Holdings Company Limited is a company under the State-owned Assets Supervision and Administration Commission of the Jiangsu Provincial Government
China Merchants Expressway Network & Technology Holdings Co., Ltd.

Registered office: Room 910, A3 Building, Dongjiang Business Center, 599 Ordos Road, Pilot Free Trade Zone (Dongjiang Bonded Port Area), Tianjin

Company Type: Joint stock Company (listed)

Legal representative: Wang Xiufeng

Registered capital: RMB6,178,211,497

Principal business: Investment, development, construction, and management of roads, bridges, docks, port and waterway infrastructure; investment management; development, research and manufacturing of new technologies, new products and new materials for transportation infrastructure, and sales of products; sales of construction materials, electrical equipment, automobiles and accessories, hardware and electrical equipment and daily provisions; economic information consultation; and personnel training. (Projects subject to approval as required by laws shall only be conducted after approval by the competent authority)

Total assets as at the end of the latest accounting period (2019): RMB90,913,209,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net assets as at the end of the latest accounting period (2019): RMB53,938,082,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Revenue from operations for the latest accounting period (2019): RMB8,185,074,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net profit for the latest accounting period (2019): RMB4,865,197,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
<table>
<thead>
<tr>
<th><strong>Jiangsu Expressway Company Limited</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registered office:</strong></td>
</tr>
<tr>
<td><strong>Company type:</strong></td>
</tr>
<tr>
<td><strong>Legal representative:</strong></td>
</tr>
<tr>
<td><strong>Registered capital:</strong></td>
</tr>
<tr>
<td><strong>Principal business:</strong></td>
</tr>
<tr>
<td><strong>Total assets at the end of the latest accounting period (2020):</strong></td>
</tr>
<tr>
<td><strong>Net assets at the end of the latest accounting period (2020):</strong></td>
</tr>
<tr>
<td><strong>Revenue from operations for the latest accounting period (2020):</strong></td>
</tr>
<tr>
<td><strong>Net profit for the latest accounting period (2020):</strong></td>
</tr>
</tbody>
</table>
III. BASIC INFORMATION ON THE LOAN BORROWERS

Jiangsu Wufengshan Toll Bridge Company Limited

Registered office: No. 401 Gangnan Road, New District, Zhenjiang City

Company type: Limited liability company

Legal representative: Yan Yun

Registered capital: RMB4,826,350,000

Shareholders (Shareholding percentage):
- Jiangsu Expressway Company Limited (64.5%)
- Jiangsu Communications Holding Company Limited (22.01%)
- Yangzhou Transportation Industry Group Co., Ltd. (13.49%) (note 2)

Principal business: Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc.

Total assets at the end of the latest accounting period (2020): RMB11,475,593,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net assets at the end of the latest accounting period (2020): RMB4,829,018,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Revenue from operations for the latest accounting period (2020): RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net profit for the latest accounting period (2020): RMB209,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note 2: Yangzhou Transportation Industry Group Co., Ltd is under the State-owned Assets Supervision and Administration Commission of the Yangzhou Municipal People’s Government
Jiangsu Guangjing Xicheng Expressway Co., Ltd.

Registered office: No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC

Company type: Limited liability company

Legal representative: Zhu Zhiwei

Registered capital: RMB2,500,000,000

Shareholders (Shareholding percentage):
- Jiangsu Expressway Company Limited (85%)
- China Merchants Expressway Network & Technology Holdings Co., Ltd. (15%) (Note 3)

Principal business: Construction, management, maintenance and toll collection of highways

Total assets at the end of the latest accounting period (2020): RMB13,448,241,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net assets at the end of the latest accounting period (2020): RMB7,312,298,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Revenue from operations for the latest accounting period (2020): RMB1,128,884,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Net profit for the latest accounting period (2020): RMB465,856,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note 3: China Merchants Expressway Network & Technology Holdings Co., Ltd. is listed on the Shenzhen Stock Exchange (stock code: 001965)
IV. BASIC INFORMATION ON THE SUBJECT OF THE RELATED PARTY/CONNECTED TRANSACTIONS

1. Type of the transactions

Offer unilateral loans to the controlled subsidiaries.

2. The pricing policies of the related party/connected transactions

The Company will provide loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company, being controlled subsidiaries. The interest of loans is to be calculated according to the prevailing interest rate of the financing products to be issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by the abovementioned subsidiaries.

V. THE MAIN CONTENTS AND PERFORMANCE ARRANGEMENTS OF THE RELATED PARTY/CONNECTED TRANSACTIONS

(I) Key terms of the loan agreement on the Wufengshan Loan

1. Loan Borrower: Jiangsu Wufengshan Toll Bridge Company Limited
   Loan Lender: Jiangsu Expressway Company Limited;

2. Loan amount: Up to RMB1 billion;

3. Loan term: three years;

4. Interest rate of loan: the prevailing interest rate of the financing products to be issued by the Company;

5. Expense: the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Wufengshan Toll Bridge Company;

6. Payment of Interest and Repayment of Principal: interest for the period shall be paid on the interest date per period of the financing products; on the maturity date of the loan, Wufengshan Toll Bridge Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. The Wufengshan Loan is subject to satisfaction of the following conditions precedent:

   i. The independent shareholders of the Company having approved and agreed to the Wufengshan Loan at the general meeting; and

   ii. The Company having issued the financing products successfully.

(II) Key terms of the loan agreement on the Guangjing Xicheng Loan

1. Loan Borrower: Jiangsu Guangjing Xicheng Expressway Co., Ltd.
   Loan Lender: Jiangsu Expressway Company Limited;

2. Loan amount: Up to RMB0.8 billion;

3. Loan term: three years;

4. Interest rate of loan: the prevailing interest rate of the financing products to be issued by the Company;

5. Expense: the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company;

6. Payment of Interest and Repayment of Principal: interest for the period shall be paid on the interest date per period of the financing products; on the maturity date of the loan, Guangjing Xicheng Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;

7. The Guangjing Xicheng Loan is subject to satisfaction of the following conditions precedent:

   i. The independent shareholders of the Company having approved and agreed to the Guangjing Xicheng Loan at the general meeting; and

   ii. The Company having issued the financing products successfully.
VI. PURPOSE OF THE RELATED PARTY/CONNECTED TRANSACTIONS AND THEIR EFFECTS ON THE COMPANY

1. Purpose of the transactions: To improve the use efficiency of funding and effectively reduce the funding cost of the controlled subsidiaries of the Company.

2. Effects on the Company: as the loan interest rate shall be the prevailing interest rate of the financing products to be issued by the Company, and given that to provide loans to the controlled subsidiaries of the Company using the funds raised from the financing products to be issued subsidiaries can lower the financing cost for the subsidiaries of the Company, the transactions are in the interest of the Company and all its shareholders as a whole. The Company provides loans to the controlled subsidiaries of the Company on the premise that it has sufficient funds to meet its own operating needs, and the risks of the loans are controllable. The loans will not cause any negative impact on the Company’s current and future financial condition and operation results.

VII. THE PROCEDURES FOR THE CONSIDERATION OF THE RELATED PARTY/CONNECTED TRANSACTIONS

The related party/connected transactions have been considered and approved at the twenty-eighth meeting of the ninth session of the Board of the Company. All the directors are of the view that the terms of the transactions of the Wufengshan Loan and Guangjing Xicheng Loan are fair and reasonable, and are in the interest of the Company and its shareholders as a whole. When considering the Resolution on the Provision of Loans by the Company to Wufengshan Toll Bridge Company, Mr. Sun Xibin, Mr. Chen Yanli and Mr. Chen Yongbing, all being related/connected directors, have abstained from voting. When considering the Resolution on the Provision of Loans by the Company to Guangjing Xicheng Company, Mr. Wu Xinhua, being related/connected director, has abstained from voting. The above-mentioned related party/connected transactions are subject to consideration at the general meeting of the Company and relevant related/connected shareholders involved in the corresponding voting matters shall abstain from voting.

The five independent non-executive directors of the Company agreed to submit the proposal for the above-mentioned related party/connected transactions to the twenty-eighth meeting of the ninth session of the Board for consideration and expressed independent opinions as follows: transaction terms of the above-mentioned transactions are fair and reasonable and are on normal commercial terms, and the transactions will not prejudice the interests of the Company and its unrelated/unconnected shareholders, especially the minority shareholders, and are in the interests of the Company and its shareholders as a whole.
The Audit Committee of the Board of the Company issued a written review opinion on the related party/connected transaction as follows:

The Company provides loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company, being controlled subsidiaries of the Company, on the premise that it has sufficient funds to meet its own needs for normal operation, which is conductive to advancing the projects construction of the subsidiaries, lowering the funding cost and further guaranteeing the future investment returns of the Company. The related party/connected transactions are in compliance with the principles of fairness, equity, voluntariness and sincerity, with the interest calculated based on the prevailing interest rate of the financing products to be issued by the Company and the pricing is fair, equitable and reasonable. The procedures for the consideration of and voting on the related party/connected transactions are in compliance with relevant laws and regulations and the Articles of Association, and there is no circumstance under which the interests of the minority shareholders and the Company are impaired.

The related party/connected transactions are not required to be subject to approval of relevant authorities.

VIII. ATTACHMENT TO THE ONLINE ANNOUNCEMENT

1. Opinions of independent directors as signed and confirmed by independent directors

By Order of the Board

Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 29 March 2021

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

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

* Independent Non-executive Directors