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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)

VOLUNTARY ANNOUNCEMENT
IN RESPECT OF EXTERNAL INVESTMENT

The board of directors of the Company 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 responsibility for the truthfulness, accuracy and completeness of this announcement.

At the second meeting of the tenth session of the Board of the Company held on 6 August 2021, the “Resolution on the Company’s Participation in the Capital Increase of Zijin Trust Co., Ltd.” was considered and approved. The Company will invest not exceeding RMB 2,000 million in Zijin Trust as a strategic investor, to be funded by internal resources. The Company will hold 20% equity interest in Zijin Trust after its capital increase.

According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and other relevant provisions, the investment is within the scope of the authorization and decision of the Board and has been considered and approved at the second meeting of the tenth session of the Board. It is not subject to approval at the general meeting of the Company, but is subject to the approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices.

According to the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Measures for Administration of the Material Asset Reorganization of Listed Companies, the external investment does not constitute a material asset reorganization and is not a related party transaction.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of Hong Kong Listing Rules exceeds 5% but is less than 25%, the intended transaction may constitute a discloseable transaction. In accordance with Hong Kong Listing Rules, the intended transaction is subject to the announcement requirement but exempt from shareholders' approval.

WARNING:

The intended transaction is subject to the signing by the parties and approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices and the success of the intended transaction is subject to uncertainties, therefore it may or may not proceed. The shareholders and the potential investors are advised to exercise caution when dealing in the securities of the Company.

IMPORTANT NOTES:

- 1. Investment target:** 20% equity interest in Zijin Trust Co., Ltd. (紫金信託有限公司) (hereinafter referred to as “**Zijin Trust**”).
- 2. Investment amount:** This investment amount shall be RMB1,989.582 million.
- 3. Special risk reminder:** The intended transaction is subject to approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices. The success of the transaction is subject to uncertainties and the investors should be aware of the risks. The Company will make timely disclosure based on subsequent progress.

I. OVERVIEW OF THE EXTERNAL INVESTMENT

At the second meeting of the tenth session of the board of directors (hereinafter referred to as the “**Board**”) of Jiangsu Expressway Company Limited (hereinafter referred to as the “**Company**”) held on 6 August 2021, the “Resolution on the Company’s Participation in the Capital Increase of Zijin Trust Co., Ltd.” was considered and approved.

The Company will invest not exceeding RMB2,000 million in Zijin Trust as a strategic investor, to be funded by its internal resources. The Company will hold 20% equity interest in Zijin Trust after its capital increase. The Company intends to enter into the Capital Increase Agreement (hereinafter referred to as the “**Capital Increase Agreement**”) with Zijin Trust and its shareholders.

According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and other relevant provisions, the investment is within the scope of the authorization and decision of the Board and has been considered and approved at the second meeting of the tenth session of the Board. It is not subject to approval at the general meeting of the Company, but is subject to the approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices.

According to the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Measures for Administration of the Material Asset Reorganization of Listed Companies, the external investment does not constitute a material asset reorganization and is not a related party transaction.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Hong Kong Listing Rules**”) exceeds 5% but is less than 25%, the intended transaction may constitute a discloseable transaction. In accordance with Hong Kong Listing Rules, the intended transaction is subject to the announcement requirement but exempt from shareholders’ approval.

II. BASIC INFORMATION ON THE INVESTMENT TARGET

1. Basic information on the investment target

Company name : Zijin Trust Co., Ltd. (紫金信託有限責任公司)

Registered capital : RMB2,453,000,000

Date of establishment : 25 September 1992

Corporate form : limited liability company (sino-foreign joint venture)

Principal businesses : capital trust; chattel trust; real estate trust; negotiable securities trust; trusts of other property or property rights; engaging in investment fund business as a promoter of investment fund or fund management company; reorganization, acquisition and merger of corporate assets and project finance, corporate finance and financial consulting and other services; operation of securities underwriting business approved by the relevant departments of the State Council as entrusted; intermediary, consulting, credit investigation services; custody and safe deposit box services; utilization of inherent properties through interbank deposits and lending, loans, leasing and investments; provision of guarantees for others with inherent properties; interbank lending and borrowing; and other business as prescribed by laws and regulations or approved by the China Banking Regulatory Commission. (With the proportion of foreign investment being less than 25%) (Projects which are subject to approval in accordance with the laws can only be conducted upon approval by relevant authorities)

2. Shareholding structure of the investment target

The controlling shareholder of Zijin Trust is Nanjing Zijin Investment Group Co., Ltd. (南京紫金投資集團有限責任公司) (hereinafter referred to as “Zijin Group”), which is established and wholly owned by the State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government. Its shareholding structure is as follows:

Name of shareholder	Shareholders	
	Capital contribution (RMB0'000)	Proportion of contribution
Nanjing Zijin Investment Group Co., Ltd. (南京紫金投資集團有限責任公司)	147,204.53	60.01%
Sumitomo Mitsui Trust Bank, Limited (三井住友信託銀行股份有限公司)	49,035.47	19.99%
Nanjing Xingong Investment Group Co., Ltd. (南京新工投資集團有限責任公司)	18,000.00	7.34%
Sanpower Group Co., Ltd. (三胞集團有限公司)	12,530.00	5.11%
Nanjing Jiangbei New Area Industrial Investment Group Co., Ltd. (南京江北新區產業投資集團有限公司)	12,265.00	5.00%
Wiscom System Co., Ltd. (江蘇金智科技股份有限公司)	6,265.00	2.55%
Total	245,300.00	100.00%

3. Key financial data of the investment target

Zijin Trust recorded total assets of RMB5,222,250,600 and net assets of RMB4,510,334,700 as at the end of 2020, operating revenue of RMB1,165,173,000, net profit before taxation of RMB801,185,200 and net profit after taxation of RMB580,101,600 for the year 2020.

Zijin Trust recorded total assets of RMB6,284,509,400 and net assets of RMB5,206,991,700 as at 31 March 2021, and operating revenue of RMB986,143,500, net profit before taxation of RMB871,824,600 and net profit after taxation of RMB696,656,900 for the period from January to March 2021.

The annual financial statements for 2020 and the financial statements for the first quarter of 2021 of Zijin Trust were audited by Lixinzhonglian CPAS (Special General Partnership), an auditing firm that complies with the requirements of the Securities Law.

4. Valuation and pricing

According to the valuation report (Jin Zheng Ping Bao Zi (2021) No. 0098) (hereinafter referred to as the “**Valuation Report**”) issued by Jinzheng (Shanghai) Asset Valuation & Consulting Co., Ltd. (金證(上海)資產評估有限公司), using the market approach, the appraisal value of the entire shareholders’ equity interests of Zijin Trust as at the valuation benchmark date, i.e. 31 March 2021, was valued at RMB7,460,000,000, representing an increase of RMB2,253,008,300 or a percentage increase of 43.27% over the audited book value of the owners’ equity interests.

The Company will pay RMB1,989.582 million for the subscription and contribution of RMB654,215,100 to the increase of registered capital of Zijin Trust at the appraisal price as filed with the state-owned assets supervision and administration authority, and the proportion of its shareholding in Zijin Trust will be 20% after the capital increase.

In accordance with the Interim Measures for the Administration of Equity Interests of Trust Companies, the Company meets all the requirements for a domestic non-financial institution to be a shareholder of a trust company.

III. MAIN CONTENT OF THE CAPITAL INCREASE AGREEMENT

1. Parties

- Party A: Jiangsu Expressway Company Limited
- Party B1: Nanjing Zijin Investment Group Co., Ltd. (南京紫金投資集團有限責任公司)
- Party B2: Sumitomo Mitsui Trust Bank, Limited (三井住友信託銀行股份有限公司)
- Party B3: Nanjing Xingong Investment Group Co., Ltd. (南京新工投資集團有限責任公司)
- Party B4: Sanpower Group Co., Ltd. (三胞集團有限公司)
- Party B5: Nanjing Jiangbei New Area Industrial Investment Group Co., Ltd. (南京江北新區產業投資集團有限公司)
- Party B6: Wiscom System Co., Ltd. (江蘇金智科技股份有限公司)
- Party C: Zijin Trust Co., Ltd.

2. The plan of capital increase

The registered capital of Zijin Trust will be increased to RMB3,271,075,500, representing an aggregate increase of registered capital by RMB818,075,500, of which, the Company will subscribe for and contribute RMB654,215,100 to the increase of registered capital of Zijin Trust, and the proportion of its shareholding in Zijin Trust will be 20% after the capital increase; Sumitomo Mitsui Trust Bank, Limited (hereinafter referred to as “**Sumitomo Mitsui**”) will subscribe for and contribute RMB163,860,400 to the increase of registered capital of Zijin Trust and the proportion of its shareholding in Zijin Trust will be 20% after the capital increase.

The Company has agreed to subscribe for RMB654,215,100 of the registered capital increase of Zijin Trust at the appraisal price of RMB1,989,582,000 filed with the state-owned assets supervision and administration authority, of which RMB654,215,100 will be included in the registered capital of Zijin Trust and the remaining balance of RMB1,335,366,900 will be included in the capital reserve of Zijin Trust; Sumitomo Mitsui has agreed to subscribe for RMB163,860,400 of the registered capital increase of Zijin Trust at the appraisal price of RMB498,328,000 filed with the state-owned assets supervision and administration authority, of which RMB163,860,400 will be included in the registered capital of Zijin Trust and the remaining balance of RMB334,467,600 will be included in the capital reserve of Zijin Trust.

Zijin Trust's shareholding structure after the intended capital increase is as follows:

Name of shareholder	Capital contribution before the capital increase (RMB0'000)	Proportion of contribution before the capital increase	Committed capital contribution (RMB0'000)	Capital contribution after the capital increase (RMB0'000)	Proportion of contribution after the capital increase
Nanjing Zijin Investment Group Co., Ltd. (南京紫金投資集團有限責任公司)	147,204.53	60.01%	N/A	147,204.53	45.00%
Sumitomo Mitsui Trust Bank, Limited (三井住友信託銀行股份有限公司)	49,035.47	19.99%	16,386.04	65,421.51	20.00%
Nanjing Xingong Investment Group Co., Ltd. (南京新工投資集團有限責任公司)	18,000.00	7.34%	N/A	18,000.00	5.50%
Sanpower Group Co., Ltd. (三胞集團有限公司)	12,530.00	5.11%	N/A	12,530.00	3.83%
Nanjing Jiangbei New Area Industrial Investment Group Co., Ltd. (南京江北新區產業投資集團有限公司)	12,265.00	5.00%	N/A	12,265.00	3.75%
Wiscom System Co., Ltd. (江蘇金智科技股份有限公司)	6,250.00	2.55%	N/A	6,265.00	1.92%
the Company	0	0%	65,421.51	65,421.51	20.00%
Total	245,300.00	100%	81,807.55	327,107.55	100%

3. Time limit for capital contribution

The Company and Sumitomo Mitsui shall make full payment in a lump sum for the subscription for the capital increase to Zijin Trust within five (5) working days upon approval of the capital increase by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices and other competent authorities and receipt of the notice on payment for subscription for the capital increase from Zijin Trust.

4. Arrangement for equity interests during the period

The owners' equity interests in Zijin Trust during the period from the valuation benchmark date to the settlement date of the capital increase shall be enjoyed and borne by all the shareholders who had been entitled to shareholders' interests in proportion to their respective shareholdings from the settlement date for the capital increase in accordance with the Capital Increase Agreement.

5. Liability for breach of contract

The party at fault shall compensate for the losses caused to other parties whether on the entire or partial non-performance of the agreement. If all parties are at fault, each party shall compensate the other parties based on the extent of losses caused by their respective faults and shall compensate the others accordingly.

6. Dispute resolution

Any dispute arising from this agreement shall be resolved by all parties through friendly consultations. If a settlement is not reached within sixty (60) working days from the date of the dispute, either party has the right to bring a legal proceeding to the people's court where the subject company is located.

7. Others

None of the parties shall transfer any of its rights, interests or obligations under the Capital Increase Agreement without prior written consents of other parties, and any attempt to conduct such transfer shall be invalid. Subject to the foregoing provisions, the Capital Increase Agreement shall be binding on all parties and their successors.

The intended transaction is subject to the signing by the parties and approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices and the success of the intended transaction is subject to uncertainties, therefore it may or may not proceed. The shareholders and the potential investors are advised to exercise caution when dealing in the securities of the Company.

IV. PURPOSE OF THE EXTERNAL INVESTMENT AND ITS IMPACT ON THE COMPANY

The Company's participation in the capital increase of Zijin Trust is in line with the sustainable development strategy of the Company. It will be conducive to the utilization of both parties' respective strength in their resources and to achieve a deep integration of the core businesses of both parties, and maintaining and enhancing the level of the Company's return on assets and comprehensive competitiveness.

The external investment will not have significant impacts on the Company's assets and profit and loss, or result in any changes to the scope of the consolidated statements of the Company, nor will it prejudice the interests of the Company and the shareholders.

The Board of the Company believes that Zijin Trust has a relatively high level of return on assets, a management team with relatively strong professional capabilities, a relatively sound risk management mechanism and a relatively solid foundation for business transformation, and it is currently relatively appropriate time for allocation of financial assets in the trust industry, therefore, the investment will help diversify business risks and improve its profitability, and thus it is in line with the interests of all shareholders of the Company.

V. RISK ANALYSIS ABOUT THE EXTERNAL INVESTMENT

1. The investment risks associated with the Company's participation in the capital increase of Zijin Trust mainly include trust market risks, business structure transformation risks, asset team building and business capability risks and shareholder liability risks. Moreover, the investment is subject to approval by the state-owned assets supervision and administration authority, the China Banking and Insurance Regulatory Commission and their local offices, and there is a risk that such approval may not be approved.
2. Risk prevention and control measures mainly include: appointing directors of Zijin Trust for effective participation in its corporate governance and business management; collecting comprehensive information about the risks in a timely manner; organizing experts to assess the risks on a regular basis and formulating post-investment emergency plans against trust business risks; promoting strategic synergy between the investment target and the Company in due course; delineating a bottom line for financial risks and conducting regular tests in a satisfactory manner.

With respect to the above-mentioned risk analysis and risk prevention and control measures, the Company has organized a meeting with experts and the experts at the meeting concurred that the investment risks of the project are controllable and the risk response measures are practicable and feasible.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. The Resolutions of the second meeting of the tenth session of the Board of the Company.
2. The Capital Increase Agreement.
3. The Valuation Report.

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 9 August 2021

As at the date of this announcement, the Directors of the Company are: Sun Xibin, Chen Yanli, Wang Yingjian, Cheng Xiaoguang, Yao Yongjia, Wu Xinhua, Li Xiaoyan, Ma Chung Lai, Lawrence, Lin Hui, Zhou Shudong*, Liu Xiaoxing*, Yu Mingyuan*, Xu Guanghua*.*

** Independent Non-executive Directors*