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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 OF THE ORDINARY RELATED PARTY
TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS**

The board of directors of the Company and all members of the board of directors 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 its content.

On 17 June 2022, the Company (for the Company and its wholly-owned subsidiaries, Ninghu Investment Company, Ninghu Properties Company, Factoring Company, Hanwei Company) entered into an agreement in relation to the procurement of supplies with Communications Holding Commercial Operation Company. The term of the agreement is from 1 July 2022 to 30 April 2023, and the transaction amount shall not exceed RMB23,096,000.

As Communications Holding Commercial Operation Company, as the counterparty in the transactions, and the Company are under the common control by Jiangsu Communications Holding, such transactions constitute related party transactions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. As the total amount of relevant expenses accounts for less than 0.5% of the audited absolute value of the net assets of the Company in the latest period, the related party transactions are not subject to any disclosure.

Pursuant to Rule 14A.07 of the Hong Kong Listing Rules, Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company and Communications Holding Commercial Operation Company, a company in which Jiangsu Communications Holding directly and indirectly holds more than 30% equity interest, is also a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the aforesaid agreement between the Company and Communications Holding Commercial Operation Company in relation to the aforementioned procurement of supplies and the conducting of the transactions thereunder constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.76(2)(a) of the Hong Kong Listing Rules, as the revenue ratio calculated under Rule 14.07 of the Hong Kong Listing Rules in respect of the maximum annual amount of the transactions is more than 0.1% but less than 5%, the transactions are only subject to announcement requirement but are exempt from the requirement of independent shareholders' approval at general meeting under Rule 14A.76(2)(a) of the Hong Kong Listing Rules. The transactions under the above agreement are also subject to the annual review requirement under Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

IMPORTANT NOTICE:

- The ordinary related party/continuing connected transactions are not subject to approval at the general meeting.
- The directors (including independent non-executive directors) of the Company are of the view that the transactions are conducted in the ordinary and usual course of business of the Company on normal commercial terms, and the prices of the transactions are fair and reasonable. The revenue and profit of the Company are not dependent on such type of related party/connected transactions and such transactions do not influence the independence of the Company as a listed company or impose any negative effects on or prejudice the interests of the Company and unrelated /unconnected shareholders, especially the interest of the minority shareholders, and are in the interest of the Company and its shareholders as a whole.
- Other matters that need to be brought to the attention of the investors: None.

I. BASIC INFORMATION ON THE ORDINARY RELATED PARTY/ CONTINUING CONNECTED TRANSACTIONS

(I) Procedures for the Consideration of Ordinary Related Party/Continuing Connected Transactions

As considered and approved at the eleventh meeting of the tenth session of the board of directors of the Company held on 17 June 2022, it was agreed that the Company (for the Company and its wholly-owned subsidiaries, Jiangsu Ninghu Investment Development Co., Ltd. ^(Note 1) (hereinafter referred to as “**Ninghu Investment Company**”), Jiangsu Ninghu Properties Co., Ltd. ^(Note 2) (hereinafter referred to as “**Ninghu Properties Company**”), Ninghu Commercial Factoring (Guangzhou) Co., Ltd. ^(Note 3) (hereinafter referred to as “**Factoring Company**”), Nanjing Hanwei Property Development Company Limited ^(Note 4) (hereinafter referred to as “**Hanwei Company**”) entered into an agreement in relation to the procurement of supplies with Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司) (hereinafter referred to as “**Communications Holding Commercial Operation Company**”). The term of the agreement is from 1 July 2022 to 30 April 2023, and the transaction amount shall not exceed RMB23,096,000 (of which, the amount shall not exceed RMB14,416,000 from 1 July 2022 to 31 December 2022, and shall not exceed RMB8,680,000 from 1 January 2023 to 30 April 2023).

Mr. Chen Yanli and Mr. Wang Yingjian, being related/connected directors of the Company, have abstained from voting on the resolution. All the remaining directors have voted in favor of the above resolution and are of the view that the transactions are entered into in the ordinary and usual course of business of the Company on normal commercial terms, the terms of the transactions are fair and reasonable, and are in the interests of shareholders as a whole.

The five independent directors of the Company have conducted a prior review on the ordinary related party transactions and issued their independent opinions on the ordinary related party transactions in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The Audit Committee of the Company has reviewed the related party/connected transactions and agreed to submit the same to the board of directors for consideration.

As Communications Holding Commercial Operation Company, as the counterparty in the transactions, and the Company are under the common control by Jiangsu Communications Holding Company Limited (hereinafter referred to as “**Jiangsu Communications Holding**”), such transactions constitute related party transactions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. As the total amount of relevant expenses accounts for less than 0.5% of the audited absolute value of the net assets of the Company in the latest period, the transactions are not subject to any disclosure.

Pursuant to Rule 14A.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company and Communications Holding Commercial Operation Company, being a wholly-owned subsidiary of Jiangsu Communications Holding, is also a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the aforesaid agreement between the Company and Communications Holding Commercial Operation Company in relation to the aforementioned procurement of supplies and the conducting of the transactions thereunder constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.76(2)(a) of the Hong Kong Listing Rules, as the revenue ratio calculated under Rule 14.07 of the Hong Kong Listing Rules in respect of the maximum annual amount of the transactions is more than 0.1% but less than 5%, the transactions are only subject to announcement requirement but are exempt from the requirement of independent shareholders’ approval at general meeting under Rule 14A.76(2)(a) of the Hong Kong Listing Rules. The transactions under the above agreement are also subject to the annual review requirement under Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

The related party transactions are not subject to the approval by any other authorities.

Note 1: The principal businesses of Ninghu Investment Company are various types of infrastructure, industry and industrial investment; designing, production, planning, and publication of various kinds of domestic advertisements.

Note 2: The principal businesses of Ninghu Properties Company are real estate development and operation; real estate consultancy, house rental, interior and exterior decoration and property management.

Note 3: The principal business of Factoring Company is commercial factoring business.

Note 4: The principal businesses of Hanwei Company are real estate development and operation; property management, house rental, interior and exterior decoration construction, real estate brokerage, hotel management and investment management.

**(II) Estimated Amount and Category of the Ordinary Related Party/
Continuing Connected Transactions**

Category of related party transaction	Related person	2022	2022	Estimated increase in 2022	2022
		original estimated amount	accumulated amount as at the date of announcement		current estimated amount
		(0,000)	(0,000)	(0,000)	(0,000)
Purchase of products and goods from the related person	Communications Holding Commercial Operation Company	48.00	4.68	1,441.60	1,489.60
Office leasing		354.92	266.17	0.00	354.92
Matters concerning property services management		68.6461	1.51	0.00	68.6461
Total		<u>471.5661</u>	<u>272.36</u>	<u>1,441.60</u>	<u>1,913.1661</u>

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

(I) Basic Information on the Related Parties/Connected Persons

Jiangsu Expressway Company Limited

Registered office:	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Business nature:	Joint-stock limited company
Legal representative:	Cheng Xiaoguang
Registered capital:	RMB5,037,747,500
Principal business:	Construction, management, maintenance and toll collection of toll roads and expressways in Jiangsu Province

Total assets at the end of the latest accounting period (2021):	RMB67,662,020,722 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2021):	RMB35,359,892,985 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2021):	RMB13,792,587,242 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2021):	RMB4,132,648,765 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Communications Holding Commercial Operation Management Co., Ltd.

Registered office:	22/F, Block 2, No.399 Middle Jiangdong Road, Jianye District, Nanjing City
Business nature:	Limited liability company
Legal representative:	Shi Hua
Registered capital:	RMB1,800,000,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Company Limited (100%) ^(Note)

Principal business:	Commercial management; real estate investment; real estate leasing; property management; self-owned house leasing; corporate management consulting; construction machinery leasing; marketing planning; corporate image planning; business information consulting; office service; convention and exhibition service; tourism management; supply chain management; pipeline installation, electrical engineering, construction engineering, interior and exterior decoration engineering design and construction; leisure and fitness service (excluding high-risk sports projects); indoor entertainment activities; information technology consulting; catering service (subject to permits or approvals); food and beverage distribution; sale of office supplies; labor dispatch (subject to permits or approvals). Landscape engineering design and construction; sales of flowers, seedlings, landscape plants and flower pots; flower and plant leasing, etc.
Total assets at the end of the latest accounting period (2021):	RMB1,832,946,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2021):	RMB1,806,089,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations at the end of the latest accounting period (2021):	RMB105,631,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest accounting period (2021):	RMB2,882,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: The ultimate beneficial owner is Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission.

(II) Related/Connected Relationship with the Listed Company

Jiangsu Communications Holding, the controlling shareholder of the Company, is the actual controller of Communications Holding Commercial Operation Company, and Communications Holding Commercial Operation Company is a related person of the Company and the relevant transactions constitute related party transactions under Rule 6.3.3 of Chapter 10 of the Listing Rules of Shanghai Stock Exchange.

Since Communications Holding Commercial Operation Company is a wholly-owned subsidiary of Jiangsu Communications Holding, under Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules, Communications Holding Commercial Operation Company is a connected person of the Company.

(III) Implementation of Related Party/Connected Transactions of the Same Type in the Previous Period and Performance Capability Analysis

Communications Holding Commercial Operation Company and the Company are subsidiaries of the same controlling shareholder, and the previous agreements entered into have been effectively implemented without any breach. Therefore, the Company considers that there is no risk of non-performance of the agreement for the related party/connected transactions.

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

In order to further reduce procurement costs and improve work efficiency, the Company (for the Company and its wholly-owned subsidiaries) intends to enter into an agreement in relation to the procurement of supplies such as office supplies, office equipment and epidemic prevention materials with Communications Holding Commercial Operation Company. The term of the agreement is from 1 July 2022 to 30 April 2023, and the transaction amount shall not exceed RMB23,096,000 (of which, the amount shall not exceed RMB14,416,000 from 1 July 2022 to 31 December 2022, and shall not exceed RMB8,680,000 from 1 January 2023 to 30 April 2023).

The supplies procurement fees were determined through price inquiry and comparison. The Company estimated the usage of the relevant supplies and made inquiries to three companies with relevant qualifications according to relevant business needs, among which, Communications Holding Commercial Operation Company is a related party/connected person of the Company, and the other two companies are third parties independent of the Company and its related parties/connected persons. As these three companies all meet other relevant requirements (there is no credit risk of violating regulations or contracts in the national public record search system), the project assessment committee (with members randomly selected from the Company's senior management database with relevant experiences) has selected Communications Holding Commercial Operation Company for cooperation after evaluating the quotations and services provided by these three companies. In order to ensure the fairness and reasonableness of the transaction terms, the internal control team of the Company conducted a comprehensive review of all reports and relevant documents (including but not limited to the reason for inviting these three companies for bidding, quotations and terms of agreements) to ensure the fairness of the pricing of the related party/connected transactions. The fees under the agreement will be paid by the Company and the above subsidiaries with their own funds or financing funds in line with the use of funds after receiving the relevant services.

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

The transactions fall within the ordinary business contracts of the Company. The contract price is determined with reference to the fair price on the market, and does not impair the interests of the Company, nor does it involve any benefit transfer to our Group's internal related/connected persons. By leveraging on synergies derived from the businesses of the Group's internal related/connected companies, the Company can further save management costs and improve its management efficiency to ensure effective operation of principal businesses. The income and profit of the Company are not dependent on such related party/connected transactions and hence the independence of the Company as a listed company will not be impaired. The related party/connected transactions do not have any adverse impacts on the Company.

Therefore, the board of directors (including independent non-executive directors) of the Company is of the view that the transactions are conducted in the ordinary and usual course of business of the Company on normal commercial terms and the prices of the transactions are fair and reasonable. The income and profit of the Company 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 impair the interests of the Company and its unrelated/unconnected shareholders, especially the interests of the minority shareholders, and are in the interests of the Company and its shareholders as a whole.

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 18 June 2022

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

Chen Yunjiang, Chen Yanli, Wang Yingjian, Wang Feng, Yao Yongjia, Wu Xinhua, Li Xiaoyan, Ma Chung Lai, Lawrence, Zhou Shudong, Liu Xiaoxing*, Yu Mingyuan*, Xu Guanghua*, Ge Yang**

* *Independent Non-executive Directors*