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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
RELATED-PARTY/CONTINUING CONNECTED TRANSACTIONS
AND DISCLOSEABLE 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 accept legal responsibilities for the truthfulness, accuracy and completeness of its contents.

On 24 March 2023, at the sixteenth meeting of the tenth session of the Board of the Company, the Resolution on Provision of Loans by the Company to Controlled Subsidiaries was considered and approved. The Company proposes to use proceeds raised from direct financing to provide loans totalling not more than RMB4.5 billion to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, all being controlled subsidiaries of the Company for terms of 3 years. During the loan periods, the loans are revolving. Among them, the Company will provide loans of not more than RMB1.8 billion to Wufengshan Toll Bridge 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; provide loans of not more than RMB1.5 billion to Guangjing Xicheng Company, loans of not more than RMB500 million to Yichang Company and loans of not more than RMB700 million to Changyi Company, for the replacement of project loans of Yichang Company and Changyi Company and for the replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations of the above three companies.

Interests incurred during the term shall be calculated on the basis of prevailing interest rates of direct financing products to be issued by the Company. 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 only 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 24 March 2023, the Company entered into conditional loan agreements with Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, respectively.

Pursuant to Rule 6.1.9 of the Shanghai Listing Rules, the Company provides financial assistance to controlled subsidiaries within the scope of consolidated statements, in which the Company and the related party jointly invested, and the cumulative amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets; the financial assistance stated herein shall be considered and approved by the Board and submitted to the general meeting of shareholders for consideration and timely disclosure.

Under Rule 14A.16(1) of the Hong Kong Listing Rules, as Jiangsu Communications Holding, the controlling shareholder of the Company, holds more than 10% of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a connected subsidiary of the Company, and the financial assistance provided by the Company to Wufengshan Toll Bridge Company constitutes a continuing connected transaction. During the past 12 months, the Company has provided loans of RMB1 billion to Wufengshan Toll Bridge Company, which has been approved by independent shareholders at the 2019 Annual General Meeting in accordance with the Hong Kong Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the transaction also constitutes a discloseable transaction of the Company and shall be subject to announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules. According to Rules 14A.16(1) and 14A.16(2) of 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 more than 10% of the voting rights of Guangjing Xicheng Company, Guangjing Xicheng Company is a connected subsidiary of the Company. As Yichang Company and Changyi Company are subsidiaries of Guangjing Xicheng Company (a connected subsidiary), Yichang Company and Changyi Company are also connected persons of the Company. The financial assistance provided by the Company to Guangjing Xicheng Company, Yichang Company and Changyi Company constitute continuing connected transactions. The Guangjing Xicheng Loan, Yichang Loan and Changyi Loan shall be aggregated according to Rule 14A.81 of the Hong Kong Listing Rules. Although the loans to Guangjing Xicheng Company in the past 12 months have been approved by independent shareholders at the 2019 Annual General Meeting, these loans did not trigger the independent shareholders' approval requirement of the Hong Kong Listing Rules; therefore, such loans in the past 12 months totalling RMB800 million shall be aggregated with the loans stated herein. As the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, these transactions also constitute a discloseable transaction of the Company and shall be subject to announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

In summary, in accordance with the strict determination of the listing rules of the stock exchanges of Hong Kong and Mainland China, provision of loans to controlled subsidiaries stated herein constitutes related-party/continuing connected transactions, and the Company will consider and disclose them as related-party/continuing connected transactions. Such related-party/continuing connected transactions are subject to consideration at the general meeting of the Company, and related/connected shareholders are required to abstain from voting. The related-party transactions do not constitute material asset restructuring under the Measures for Administration of Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》).

An independent financial adviser will be appointed to advise the independent board committee and independent shareholders on Wufengshan Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi Loan. The transaction will be submitted to the 2022 Annual General Meeting for consideration. A circular containing, among others, details of the transaction, the letter of independent board committee, the letter of independent financial adviser and the notice of general meeting is expected to be despatched to H shareholders on or before 25 April 2023, together with the Company's annual report.

Warning:

As the Wufengshan Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi Loan are subject to fulfillment of the conditions precedent set out in the section “V. MAJOR CONTENTS AND PERFORMANCE ARRANGEMENTS OF THE RELATED-PARTY/CONNECTED TRANSACTION”, the Wufengshan Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi 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. Transaction: Jiangsu Expressway Company Limited (the “**Company**”) provides loans totalling RMB4.5 billion, to Jiangsu Wufengshan Toll Bridge Company Limited (“**Wufengshan Toll Bridge Company**”), Jiangsu Guangjing Xicheng Expressway Limited (“**Guangjing Xicheng Company**”), Jiangsu Yichang Expressway Company Limited (“**Yichang Company**”), and Jiangsu Changyi Expressway Company Limited (“**Changyi Company**”), subsidiaries of the Company.

2. During the past 12 months, the Company and Wufengshan Toll Bridge have entered into various transactions totalling RMB1,086.20 million;

During the past 12 months, the Company and Jiangsu Guangjing Xicheng Company have entered into various transactions totalling RMB823.56 million;

During the past 12 months, the Company and Yichang Company have entered into various transactions totalling RMB3.88 million;

During the past 12 months, the Company and Changyi Company have entered into various transactions totalling RMB11.93 million;

During the past 12 months, the amount of transactions related to this type of transactions between the Company and different related parties was RMB1.8 billion (excluding this transaction).

3. The related-party/continuing connected transactions are subject to approval by shareholders at the general meeting.
4. The related-party transactions do not constitute major asset restructuring under the Measures for Administration of Material Asset Restructuring of Listed Companies.

I. OVERVIEW OF THE PROVISION OF LOANS

In order to optimise the management of the Group's overall debt and reduce financing costs, on 24 March 2023, at the sixteenth meeting of the tenth session of the Board of the Company, the Resolution on Provision of Loans by the Company to Controlled Subsidiaries was considered and approved. The Company proposes to use proceeds raised from direct financing to provide loans totalling not more than RMB4.5 billion to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, all being controlled subsidiaries of the Company. During the respective term of 3 years, the loans are revolving. Among them, the Company shall (1) apply direct financing proceeds to provide loans of not more than RMB1.8 billion to Wufengshan Toll Bridge 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; (2) apply direct financing proceeds to provide loans of not more than RMB1.5 billion to Guangjing Xicheng Company, for replenishment of working capital of Guangjing Xicheng Company, repayment of due loans and other purposes as permitted by laws and regulations; (3) apply direct financing proceeds to provide loans of not more than RMB500 million to Yichang Company, for replacement of project loans of Yichang Company, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations; (4) apply direct financing proceeds to provide loans of not more than RMB700 million to Changyi Company, for replacement of project loans of Changyi Company, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations. Interests incurred during the term shall be calculated on the basis of prevailing interest rates of direct financing products to be issued by the Company. 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 only 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 24 March 2023, the Company entered into conditional loan agreements with Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, respectively.

Pursuant to Rule 6.1.9 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (“**Shanghai Listing Rules**”), the Company provides financial assistance to controlled subsidiaries which are jointly invested with controlling shareholder, actual controller and its related persons and are within the scope of consolidated statements of a listed company and the cumulative amount of financial assistance in the last 12 months exceeds 10% of the Company’s latest audited net assets; the financial assistance stated herein shall be considered and approved by the Board and submitted to the general meeting of shareholders for consideration and timely disclosure.

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 Jiangsu Communications Holding, the controlling shareholder of the Company, holds more than 10% of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a connected subsidiary of the Company, and the financial assistance provided by the Company to Wufengshan Toll Bridge Company constitutes a continuing connected transaction. During the past 12 months, the Company has provided loans of RMB1 billion to Wufengshan Toll Bridge Company, which has been approved by independent shareholders at the 2019 Annual General Meeting in accordance with the Hong Kong Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the transaction also constitutes a discloseable transaction of the Company and shall be subject to announcement, circular and independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules. According to Rules 14A.16(1) and 14A.16(2) of 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 more than 10% of the voting rights of Guangjing Xicheng Company, Guangjing Xicheng Company is a connected subsidiary of the Company. As Yichang Company and Changyi Company are subsidiaries of Guangjing Xicheng Company (a connected subsidiary), Yichang Company and Changyi Company are also connected persons of the Company. The financial assistance provided by the Company to Guangjing Xicheng Company, Yichang Company and Changyi Company constitutes continuing connected transactions. The Guangjing Xicheng Loan, Yichang Loan and Changyi Loan shall be aggregated according to Rule 14A.81 of the Hong Kong Listing Rules. Although the loans to Guangjing Xicheng Company in the past 12 months have been approved by independent shareholders at the 2019 Annual General Meeting, these loans did not trigger the independent shareholders’ approval requirement of the Hong Kong Listing Rules; therefore, such loans in the past 12 months totalling RMB800 million shall be aggregated with the loans stated herein. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, these transactions also constitute a discloseable transaction of the Company and shall be subject to announcement, circular and independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

In summary, in accordance with the strict determination of the listing rules of the stock exchanges of Hong Kong and Mainland China, the provision of loans to controlled subsidiaries stated herein constitutes related-party/continuing connected transactions, and the Company will consider and disclose them as related-party/continuing connected transactions.

Such related-party/continuing connected transactions are subject to consideration at the general meeting of the Company, and related/connected shareholders are required to abstain from voting.

The related-party transactions do not constitute material asset restructuring under the Measures for Administration of Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》).

An independent financial adviser will be appointed to advise the independent board committee and independent shareholders on Wufengshan Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi Loan. The transaction will be submitted to the 2022 Annual General Meeting for consideration. A circular containing, among others, details of the transaction, the letter of independent board committee, the letter of independent financial adviser and the notice of general meeting is expected to be despatched to H shareholders on or before 25 April 2023, together with the Company's annual report.

II. INFORMATION ON RELATED PARTIES/CONNECTED PERSONS

(I) Information on relationships with related-parties/connected persons

Jiangsu Communications Holding Company Limited (“**Jiangsu Communications Holding**”), the controlling shareholder of the Company, holds 22.01% of the equity interest in Wufengshan Toll Bridge Company, a controlled subsidiary within the scope of consolidated statements in which the Company and the related party jointly invested. The unilateral provision of loans to Wufengshan Toll Bridge Company (the “**Wufengshan Loan**”) by the Company does not constitute a related-party transaction under the Shanghai Listing Rules. As Jiangsu 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 under Rule 14A.16(1) of the Hong Kong Listing Rules.

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, a controlled subsidiary within the scope of consolidated statements, in which the Company and the related party jointly invested, and Yichang Company and Changyi Company are controlled subsidiaries of Guangjing Xicheng Company. The unilaterally provision of loans to Guangjing Xicheng Company by the Company, Yichang Company and Changyi Company by the Company (the “**Guangjing Xicheng Loan**”, “**Yichang Loan**” and “**Changyi Loan**”, respectively) does not constitute related party transactions under the Shanghai Listing Rules. As 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, Guangjing Xicheng Company is a connected subsidiary of the Company under Rule 14A.16(1) of the Hong Kong Listing Rules. As Yichang Company and Changyi Company are subsidiaries of Guangjing Xicheng Company, Yichang Company and Changyi Company are also connected persons of the Company under Rule 14A.16(2) of the Hong Kong Listing Rules.

As the Wufengshen Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi Loan are subject to fulfillment of the conditions precedent set out in the section “V. MAJOR CONTENTS AND PERFORMANCE ARRANGEMENTS OF THE RELATED-PARTY/CONNECTED TRANSACTION”, the Wufengshen Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi 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/connected parties

Jiangsu Communications Holding Company Limited *(Note 1)*

Registered office:	No. 291 Zhongshan Eastern Road, Nanjing City/ A2/F, Zijin Finance Zone, No. 399 Jiangdong Central Road, Nanjing City
Company type:	Limited liability company (wholly state-owned)
Legal representative:	Cai Renjie
Registered capital:	RMB16,800,000,000
Principal business:	Engaged in the 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; collection of tolls from vehicles; and industry investment and domestic trading.
Total assets at the end of the latest accounting period (2022):	RMB783,334,205,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB295,598,714,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB95,923,532,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB11,872,207,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: Unaudited financial information.

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 Xiutao
Registered capital:	RMB6,178,211,497,000
Principal business:	Investment, development, construction, and management of roads, bridges, docks, ports 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 at the end of the latest accounting period (2021)	RMB98,320,775,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2021)	RMB58,330,376,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2021)	RMB8,626,032,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2021)	RMB4,972,822,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway Company Limited

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company type:	Joint-stock limited company
Legal representative:	Chen Yunjiang
Registered capital:	RMB5,037,747,000
Principal business:	Construction, management, maintenance and toll collection of toll roads and highways in Jiangsu Province
Total assets at the end of the latest accounting period (2022):	RMB78,458,345,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB37,950,332,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB13,255,603,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB3,747,989,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

III. BASIC INFORMATION ON THE LOAN BORROWERS CUM TARGET

Jiangsu Wufengshan Toll Bridge Company Limited

Registered office:	No. 401 Gangnan Road, New District, Zhenjiang City
Company type:	Limited company
Legal representative:	Wang Feng
Registered capital:	RMB4,826,350,000
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (64.5%) Jiangsu Communications Holding Company Limited (22.01%) ^(Note 1) 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, municipal facilities management
Total assets at the end of the latest accounting period (2022):	RMB12,390,295,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB4,535,385,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB395,562,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-166,571,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Guangjing Xicheng Expressway Co., Ltd.

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company type:	Limited liability company
Legal representative:	Lou Jun
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 (2022):	RMB15,300,614,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB8,443,024,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB1,967,808,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB748,619,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Yichang Expressway Company Limited

Registered office:	Room 108, Building 1, No. 1800, Tongjiang Avenue, Dongbeitang Street, Xishan District, Wuxi City
Company type:	Limited liability company
Legal representative:	Lou Jun
Registered capital:	RMB1,591,481,000
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%) Yixing Transportation Industry Group Co., Ltd. (40%) ^(Note 4)
Principal business:	Construction of road engineering, tunnel engineering, bridge engineering, wire engineering, pipeline engineering, road management and maintenance, etc.
Total assets at the end of the latest accounting period (2022):	RMB3,797,547,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB1,457,056,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB135,501,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-63,248,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Changyi Expressway Company Limited

Registered office:	No. 52, Area 1, Furun Huayuan, Hudai Town, Binhu District, Wuxi City
Company type:	Limited liability company
Legal representative:	Lou Jun
Registered capital:	RMB1,519,846,000
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%) Yixing Transportation Industry Group Co., Ltd. (13.8%) ^(Note 4) Changzhou Expressway Investment Development Co., Ltd. (26.2%) ^(Note 5)
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 (2022):	RMB3,671,813,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB1,352,746,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB99,110,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-83,235,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note 1: Ultimate beneficial owner: Jiangsu Communications Holding Company Limited is a company under the State-owned Assets Supervision and Administration Commission of the Jiangsu Provincial Government.

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.

Note 3: China Merchants Expressway Network & Technology Holdings Co., Ltd. is listed on the Shenzhen Stock Exchange (stock code: 001965).

Note 4: The ultimate beneficial owner is the State-owned Assets Supervision and Administration Office of Yixing Municipal People's Government.

Note 5: Ultimate beneficial owner: the State-owned Assets Supervision and Administration Commission of Changzhou Municipal People's Government.

The Company is mainly engaged in the construction, management, maintenance and toll collection of toll roads and expressways in Jiangsu province.

IV. BASIC INFORMATION ON THE SUBJECT OF THE RELATED-PARTY/ CONTINUING CONNECTED TRANSACTION

1. Type of transaction: unilateral provisions of loans to the controlled subsidiaries.
2. Pricing policy of the related-party/continuing connected transactions

For the loans provided by the Company to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, all being controlled subsidiaries, interests are to be calculated according to the prevailing interest rates 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/CONTINUING 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 RMB1.8 billion, revolving during the loan term;
3. Loan term: three years from 15 December 2023;
4. Interest rate of loan: the prevailing interest rate of the financing products 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 RMB1.5 billion, revolving during the loan term;
3. Loan term: three years from 1 July 2023;
4. Interest rate of loan: the prevailing interest rate of the financing products 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.

(III) Key terms of the loan agreement on the Yichang Loan

1. Loan Borrower: Jiangsu Yichang Expressway Company Limited
Loan Lender: Jiangsu Expressway Company Limited;
2. Loan amount: up to RMB500 million, revolving during the loan term;
3. Loan term: three years from 1 October 2023;
4. Interest rate of loan: the prevailing interest rate of the financing products 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 Yichang 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, Yichang Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. The Yichang Loan is subject to satisfaction of the following conditions precedent:
 - i. The independent shareholders of the Company having approved and agreed to the Yichang Loan at the general meeting; and
 - ii. The Company having issued the financing products successfully.

(IV) Key terms of the loan agreement on the Changyi Loan

1. Loan Borrower: Jiangsu Changyi Expressway Company Limited
Loan Lender: Jiangsu Expressway Company Limited;
2. Loan amount: up to RMB700 million, revolving during the loan term;
3. Loan term: three years from 1 October 2023;
4. Interest rate of loan: the prevailing interest rate of the financing products 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 Changyi 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, Changyi Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. The Changyi Loan is subject to satisfaction of the following conditions precedent:
 - i. The independent shareholders of the Company having approved and agreed to the Changyi Loan at the general meeting; and
 - ii. The Company having issued the financing products successfully.

VI. PURPOSE OF THE RELATED-PARTY/CONTINUING CONNECTED TRANSACTION AND THE EFFECTS ON THE COMPANY

1. Purpose of the transaction: to improve the capital efficiency and effectively reduce the funding cost of the controlled subsidiaries of the Company.
2. Effects on the Company: the interest rates of loans are calculated on the basis of the prevailing interest rates of the financing products to be issued by the Company, and to provide loans to the controlled subsidiaries of the Company by the funds raised from the financing products to be issued can lower the financing cost for the subsidiaries, which is 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 CONSIDERATION OF THE RELATED-PARTY/CONTINUING CONNECTED TRANSACTION

The related-party/continuing connected transactions have been considered and approved at the sixteenth meeting of the tenth session of the Board of the Company. All the directors are of the view that the terms of the transactions of the Wufengshen Loan, Guangjing Xicheng Loan, Yichang Loan and Changyi Loan are fair and reasonable, and are in the interest of the Company and its shareholders as a whole. When considering the Sub-resolution on Provision of Loans by the Company to Wufengshan Toll Bridge Company, Mr. Wang Yingjian, being a related/connected director, has abstained from voting. When considering the Sub-resolutions on Provision of Loans by the Company to Guangjing Xicheng Company, on Provision of Loans by the Company to Yichang Company, on Provision of Loans by the Company to Changyi Company, Mr. Wu Xinhua and Ms. Li Xiaoyan, both being related/continuing connected directors, have abstained from voting. The above-mentioned related-party/continuing connected transactions are subject to consideration at the general meeting of the Company and related/continuing connected shareholders involved in the corresponding matters to be voted on shall abstain from voting.

The five independent directors of the Company agreed to submit the proposal for the above-mentioned related-party transactions to the sixteenth meeting of the tenth session of the Board for consideration and expressed independent opinions as follows: transaction terms of the abovementioned 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 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 transaction as follows:

The Company provides loans to the controlled subsidiaries on the premise that such actions will not affect the normal business operation, which is conducive 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 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 issued by the Company, and the pricing is fair, equitable and reasonable. The procedures for consideration of and voting on the related-party transactions are in compliance with relevant laws and regulations and the Articles of Association, without prejudice to the interests of the minority shareholders and the Company.

Such related-party/continuing connected transactions are subject to consideration at the general meeting of the Company, and related/connected shareholders are required to abstain from voting.

The related-party 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, 27 March 2023

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

Chen Yunjiang, 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 Director*