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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)**

**FURTHER ANNOUNCEMENT**  
**DISCLOSEABLE AND CONNECTED TRANSACTION:**  
**ACQUISITION OF 65% EQUITY INTEREST IN**  
**SUXICHANG SOUTH EXPRESSWAY COMPANY**

**Financial Advisor to the Company**



Reference is made to the Company's announcement dated 29 January 2024 (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Announcement made reference to a valuation report prepared by Valuation Consultant which adopted the discounted cash flows approach and preliminarily assessed the value of the Target Company to be RMB8.13 billion as of 31 October 2023. The valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules and hence the requirements of Rule 14.60A of the Hong Kong Listing Rules applies.

Under Rules 14.60A of the Hong Kong Listing Rules, the Company must publish a further announcement containing the following information within 15 business days after publication of the Announcement:

- (1) details of the principal assumptions, including commercial assumptions, upon which the forecast is based;
- (2) a letter from the issuer's auditors or reporting accountants confirming that they have reviewed the accounting policies and calculations for the forecast and containing their report;
- (3) a report from the issuer's financial advisers confirming that they are satisfied that the forecast has been made by the directors after due and careful enquiry. If no financial advisers have been appointed in connection with the transaction, a letter from the board of directors confirming they have made the forecast after due and careful enquiry; and
- (4) information regarding the expert statements contained in the announcement, which is specified in paragraph 5 of Appendix D1B of the Hong Kong Listing Rules.

For item (1), please refer to the section headed "IV. VALUATION REPORT" of the Announcement for further details.

For items (2) and (3), please refer to the Report from KPMG Huazhen LLP as set out in Appendix I of this further announcement and the Letter on Profit Forecast of the Target Company from the Financial Advisor as set out in Appendix II of this further announcement.

For item (4), please refer to the section headed "EXPERTS QUALIFICATION AND CONSENT" below.

## EXPERTS QUALIFICATION AND CONSENT

The qualification of the experts who have been named in the Announcement and have given opinions or advice which are contained therein is set out below:

<b>Name</b>	<b>Qualification</b>
China Securities (International) Corporate Finance Company Limited	Licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
Kroll (HK) Limited	Independent professional business valuer
KPMG Huazhen LLP	Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance

Each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter and/or references to its name, in the form and context in which they appear.

As at the date of this announcement, each of the experts was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, directly or indirectly, in any asset which had been, since 31 December, 2022, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

By Order of the Board  
**Yao Yong Jia**  
*Executive Director and Company Secretary*

Nanjing, the PRC, 21 February 2024

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

*Chen Yunjiang, Xu Haibei, 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*

## APPENDIX I

The following is the text of a report received from the Company's Reporting Accountants, KPMG Huazhen LLP, for inclusion in this announcement.



### **REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF JIANGSU SUXICHANG SOUTH EXPRESSWAY CO., LTD**

#### **TO THE BOARD OF DIRECTORS OF JIANGSU EXPRESSWAY COMPANY LIMITED**

We refer to the discounted future cash flows on which the business valuation (“**the Valuation**”) dated 21 February 2024 prepared by Kroll (HK) Limited in respect of the appraisal of the fair value of Jiangsu Suxichang South Expressway Co., Ltd (“**the Target Company**”) as at 31 October 2023 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **DIRECTORS’ RESPONSIBILITIES**

The directors of Jiangsu Expressway Company Limited (the “**Directors**”) are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## **OUR INDEPENDENCE AND QUALITY MANAGEMENT**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“**IESBA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **REPORTING ACCOUNTANTS’ RESPONSIBILITIES**

Our responsibility is to report, as required by paragraph 14.60A(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

## **BASIS OF OPINION**

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board (“**IAASB**”). This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with International Standards on Auditing issued by the IAASB. Accordingly, we do not express an audit opinion.

## **OPINION**

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

## **OTHER MATTERS**

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A (2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

**KPMG Huazhen LLP**

Beijing, China

Date: 21 February 2024

## APPENDIX II

The Board of Directors  
Jiangsu Expressway Company Limited  
6 Xianlin Avenue  
Nanjing, Jiangsu Province  
P.R. China

21 February 2024

Dear Sirs,

We refer to the announcement and further announcement of Jiangsu Expressway Company Limited (the “**Company**”) dated 29 January 2024 (the “**Announcement**”) and 21 February 2024 (“**Further Announcement**”) respectively, in connection with an acquisition of 65% equity interest in Jiangsu Suxichang South Expressway Co., Ltd. (“**Target Company**”) by the Company from Jiangsu Communications Holding Co., Ltd. (the “**Acquisition**”). Unless otherwise defined or if the context otherwise requires, all terms defined in the Announcement shall have the same meaning when used in this letter.

The Further Announcement refers to the valuation of the Target Company by Kroll (HK) Limited (the “**Valuer**”) which are contained in the valuation report dated 21 February 2024 (the “**Valuation Report**”) prepared by the Valuer for the purpose of the proposed Acquisition. We understand that the Valuation Report and certain other documents relevant to the Acquisition have been provided to you as directors of the Company (the “**Directors**”) in connection with your consideration of the Acquisition. We understand that the Valuer has applied income approach, known as the discounted cash flow method, on the equity interest in Target Company to implement the valuation. The valuation on the discounted cash flow is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

We have reviewed the profit forecast included in the Valuation Report upon which the valuation of Target Company has been made. We have made enquiries with the Directors, the management of the Company and the Valuer regarding the bases and assumptions upon which the profit forecast regarding Target Company in the Valuation Report has been made. We have also reviewed the reports to the Directors from KPMG Huazhen LLP, dated 21 February 2024, as set forth in Appendix I to the Further Announcement regarding the calculations of discounted future cash flows.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions selected by the Valuer, for which the Valuer and the Company are responsible, we are satisfied that the profit forecast disclosed in the Further Announcement have been made after due and careful enquiry by you. The Directors are responsible for such profit forecast, including the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation Report. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation Report and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us has been undertaken for the purpose of reporting solely to you under Rule 14.60A(3) of the Listing Rules and for no other purpose. We have not independently verified the assumptions or computations leading to the valuation of Target Company. We have had no role or involvement and have not provided and will not provide any assessment of the value on the Target Company to the Company. We have assumed that all information, materials and representations provided to us by the Company and the Valuer, including all information, materials, and representations referred to or contained in the Further Announcement were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Further Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truthfulness or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the valuation of Target Company as set out in the Valuation Report.

Yours faithfully,

For and on behalf of

**China Securities (International) Corporate Finance Company Limited**

**George Yen**

*Executive Director*

Date: 21 February 2024