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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 IN RESPECT OF THE CAPITAL INCREASE
OF A WHOLLY-OWNED SUBSIDIARY**

The Company and all members of the board of directors warrant that the information contained in this announcement is true, accurate and complete, and accept joint responsibility for any false information or misleading statements contained in, or material omissions from, this announcement.

IMPORTANT CONTENTS:

Target for the Capital Increase: Jiangsu Ninghu Investment Development Co., Ltd.

Amount of the Capital Increase: RMB900,000,000

NOTICE is hereby given that:

1. SUMMARY OF THE CAPITAL INCREASE

Jiangsu Expressway Company Limited (the “**Company**”) held the ninth meeting of the eighth session of the Board of the Company on 26th August 2016, during which the Resolution in Respect of Capital Increase of wholly-owned subsidiary Jiangsu Ninghu Investment Development Co., Ltd. (“**Ninghu Investment**”) was considered and approved with the results of For: 9 votes; Against: nil; and Abstain: nil.

In order to enhance the foreign investing ability of the Ninghu Investment, and to make it a management platform of equity investment whose major business is expressway derivative industrial investment with other emerging industry investment as complementary, and to lay the foundation for the Company to achieve sustainable development, the Company proposes to apply its internal resources to increase an amount of RMB900,000,000 in the registered capital of Ninghu Investment, i.e. the registered capital of Ninghu Investment will be increased from RMB100,000,000 to RMB1,000,000,000. This increased capital will be in place by installment subject to the approval of the Board upon the funding need of the investment projects.

Pursuant to the relevant provisions stipulated in the Articles of Association of the Company and the listing rules, such capital increase neither is a related or connected transaction, nor constitute material assets reorganization, accordingly, it is not required to be submitted to the shareholders meeting for consideration.

2. BASIC INFORMATION OF THE TARGET OF CAPITAL INCREASE

Basic Information of Ninghu Investment is as follows:

Basic Information			
Uniform Social Credit Code	91320192742364874M	Name	Jiangsu Ninghu Investment Development Co., Ltd.
Type	Limited Liability Company	Legal Representative	Qian Yongxiang
Registered Capital	RMB100,000,000	Date of Establishment	23 September 2002
Registered Address	Room 1101, 11/F Long Sheng Mansion, No. 23 of Hongwu Road, Bai Xia District		
Term of Operation from	23 September 2002	Term of Operation to	18 September 2052
Scope of Business	Investment on all kinds of infrastructure, industrial and business. Design, manufacture, plan, publish all kinds of domestic advertisements.		

As of 31 December 2015, the audited total assets and the audited net assets of CDB Kai Yuan Ninghu Investment were RMB311,830,000 and RMB294,770,000 respectively; and the audited revenue from principal operations and the audited net profit for 2015 were RMB38,870,000 and RMB42,790,000 respectively.

3. EFFECT OF THE CAPITAL INCREASE TO THE LISTED COMPANY

This capital increase is considered a reasonable plan having regards to the business development status and future development needs of Ninghu Investment. The completion of this capital increase will greatly improve its financial strength and its capability of taking business operations, further facilitate the rapid development of the investment business and enhance the overall operating performance of the Company, which will lay the foundation for the Company to achieve sustainable development. Such capital increase will not change the equity structure of Ninghu Investment. Ninghu Investment will remain as a wholly-owned subsidiary of the Company after such capital increase. There will be no changes in the scope of the combined financial statements of the Company and the profit or loss of the Company during the period of occurrence of capital increase will not be affected.

4. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) The Resolution of the 9th meeting of the eighth session of the Board of the Company.

The Board of Directors of Jiangsu Expressway Company Limited

Nanjing, the PRC, 27 August 2016

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

Chang Qing, Du Wen Yi, Shang Hong, Hu Yu, Ma Chung Lai, Lawrence, Zhang Er Zhen, Zhang Zhu Ting*, Chen Liang*, Lin Hui**

* *Independent Non-executive Directors*