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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 INVESTMENT OF REAL ESTATE PARENT FUND**  
**BY 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:**

- Subject Matter of Investment: Real estate investment parent fund phase I (limited partnership) established by Luode Fund Company (39% shares of which are held by a wholly-owned subsidiary of the Company, Ninghu Investment), as a limited partner
- Investment Amount: Up to RMB150,000,000 to be contributed by Ninghu Investment

**Note on Particular Risks:** The projects invested by the fund may be subject to various degrees of risks, including but not limited to market risk, management risk, liquidity risk, credit risk, risk of failure to realize expected investment income, operational or technical risk and other risks, and the investment cycle of which is relatively long.

**NOTICE is hereby given that:**

**I. EXTERNAL INVESTMENT OVERVIEW**

- (1) Jiangsu Expressway Company Limited (the “**Company**”) convened the ninth meeting of the eighth session of Board of Directors at the Company’s conference room on 26 August 2016 for the purpose of approving the Resolution on the Participation of the Company’s wholly-owned subsidiary, Jiangsu Ninghu Investment Development Co., Ltd. (“**Ninghu Investment**”) in the Real Estate Investment Parent Fund phase I initiated by Jiangsu Luode Equity Investment Fund Management Co., Ltd. (“**Luode Fund Company**”). The total size of the fund shall be up to RMB300 million, in which: Ninghu Investment shall contribute up to RMB150 million; contributions from other shareholders, market offers and teams shall not exceed RMB150 million. Subject to a ceiling of RMB150 million, Ninghu Investment shall make a matching contribution to other contributions on a ratio of 1:1.

This subscription of fund will be financed by the internal resources of Ninghu Investment, and will not involve any fund raising or bank loan facility.

- (2) This investment has been submitted and approved by the Board of Directors pursuant to the Company’s Articles of Association, the Management Regulation governing External Investment and other relevant requirements, and is not subject to the approval at the general meeting.
- (3) Pursuant to the relevant provisions of the Administrative Measures for the Material Asset Reorganizations of Listed Companies and the listing rules of Shanghai Stock Exchange, this external investment does not constitute material asset reorganization nor related or connected transaction.

## II. BASIC INFORMATION ON THE SUBJECT OF THE INVESTMENT AGREEMENT

Basic information of Ninghu Investment is as follows:

### Basic Information

<b>Uniform Social Credit Code</b>	91320192742364874M	<b>Name</b>	Jiangsu Ninghu Investment Development Co., Ltd.
<b>Type of Company</b>	Limited Liability Company	<b>Legal Representative</b>	Qian Yongxiang
<b>Registered Capital</b>	RMB100,000,000	<b>Date of Establishment</b>	23 September 2002
<b>Registered Address</b>	Room 1101, 11/F Long Sheng Mansion, No. 23 of Hongwu Road, Bai Xia District		
<b>Term of Operation From</b>	23 September 2002	<b>Term of Operation To</b>	18 September 2052
<b>Scope of Business</b>	Investment in all kinds of infrastructure, industries and businesses. Design, manufacture, plan, and publication of all kinds of domestic advertisements.		

Basic information of Luode Fund Company is as follows:

### Basic Information

<b>Uniform Social Credit Code</b>	913201050670808340	<b>Name</b>	Jiangsu Luode Equity Investment Fund Management Co., Ltd.
<b>Type</b>	Limited Company	<b>Legal Representative</b>	Qian Yongxiang
<b>Registered Capital</b>	RMB30,000,000	<b>Date of Establishment</b>	14 May 2013
<b>Registered Address</b>	Room 4001, No. 188 of Lushan Road, Jian Ye District, Nanjing		
<b>Term of Operation From</b>	14 May 2013	<b>Term of Operation To</b>	
<b>Scope of Business</b>	Management of private equity fund as a trustee, engagement in the business of investment management and related information services and asset management under commission.		

Other partners have yet to be confirmed, further announcements will be made after confirmation.

### **III. DIRECTION OF FUND INVESTMENT**

Cooperate with major brand developers to invest in first-tier, second-tier and some upper third-tier cities in China on quality residential, apartment projects and exceptional projects.

### **IV. MAIN CONTENTS OF THE CONTRACT**

Since other partners have yet to be confirmed, the limited partnership has yet to be established and the related agreement has yet to be signed. The Company shall make further announcements after the signing.

### **V. EFFECT ON THE COMPANY**

The establishment of the real estate investment parent fund is beneficial to the expansion of the scale of fund management, enhancement of the ability to engage in in-depth cooperation with renowned developers and increase in opportunities to access quality projects by Luode Fund Company within a short period of time, so as to promote the market position of Luode Fund Company and realize its significant development. With its liquidity requirement for ordinary course of operation being securely met, Ninghu Investment's application of its internal resources to participate in the investment and establishment of the parent fund is beneficial to the promotion of the efficient use of its internal resources, the increase of cash return and the full utilization of the Company's equity investment platform, so as to lay the foundation of the Company's sustainable development. The Board of Directors is of the view that the project investment will not affect the normal development of the Company's principal business and will not compromise the interests of the shareholders of the Company.

### **VI. INVESTMENT RISK ANALYSIS**

The projects invested by the fund may be subject to various degrees of risks, including but not limited to market risk, management risk, liquidity risk, credit risk, risk of failure to realize expected investment income, operational or technical risk and other risks, and the investment cycle of which is relatively long. In connection with the major investment risks, Ninghu Investment shall maintain a good understanding of the operation of the fund manager, pay attention to the implementation process of the investment projects, urge the fund manager to maintain precautions against investment risks in all aspects and endeavour to safeguard the investment fund of the Company, in a timely manner.

## **VII. DOCUMENTS AVAILABLE FOR INSPECTION**

1. The Resolution of the Ninth Meeting of the Eighth Session of the Board of Directors 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*