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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

**POTENTIAL RELATED PARTY/CONNECTED TRANSACTION
REGARDING THE PRO RATA CAPITAL INCREASE OF
THE COMPANY IN WUFENGSHAN TOLL BRIDGE COMPANY**

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.

Affected by the increase in prices of major material, the investment in the North-South Road Connection Project of the Wufengshan River-crossing Corridor has to be increased by RMB383,959,400; furthermore, the investment in the Road portion of the Wufengshan Yangtze River Bridge has to be increased by RMB36,650,000 as a result of adjustments to the cost of land acquisition and demolition. 40% of the increase shall be funded by increase in investment by each of the investors in proportion to their respective shareholdings in Wufengshan Toll Bridge Company. Wufengshan Toll Bridge Company will conduct a capital increase of RMB168,243,800. The shareholders of Wufengshan Toll Bridge Company shall make capital contributions in proportion to their shareholdings, of which the Company shall contribute RMB108,517,200, accounting for 64.5%; Jiangsu Communications Holding shall contribute RMB37,030,500, accounting for 22.01%; and Yangzhou Traffic shall contribute RMB22,696,100, accounting for 13.49%. Upon completion of the capital increase, the registered capital of Wufengshan Toll Bridge Company will be increased from RMB4,826,350,000 to RMB4,994,593,800.

The controlling shareholder of the Company, Jiangsu Communications Holding, holds 22.01% equity interest in Wufengshan Toll Bridge Company, which is a direct subsidiary of the Company (the accounts of which are consolidated in the accounts of the Company) jointly invested by the Company and the related party, and the joint capital increase by the Company and the related party constitutes a related party transaction under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The controlling shareholder of the Company, Jiangsu Communications Holding, is a connected person of the Company under Rule 14A.07 of the Hong Kong Listing Rules. As Jiangsu Communications Holding holds more than 10% equity interest in Wufengshan Toll Bridge Company, a subsidiary of the Company, the capital increase constitutes a connected transaction of the Company as Wufengshan Toll Bridge Company is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Hong Kong Listing Rules.

The relevant ratio calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules is expected to be more than 0.1% but less than 5% and therefore the Company's participation in the capital increase is only subject to the announcement requirement but is exempt from independent shareholders' approval requirement at general meeting under Rule 14A.76(2) (a) of the Hong Kong Listing Rules.

A further announcement will be published in accordance with the Hong Kong Listing Rules upon the signing of the capital increase agreement.

IMPORTANT NOTICE:

1. Summary of the transaction: Jiangsu Expressway Company Limited (hereinafter referred to as the “**Company**” or the “**Group**”) shall participate, on a pro rata basis, in the capital increase of Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司) (“**Wufengshan Toll Bridge Company**”), a direct subsidiary of the Company.
2. Amount for the capital contribution: RMB108,517,200.
3. The transaction constitutes a related party transaction.
4. The transaction does not constitute a major assets reorganization.
5. During the past 12 months, the amount of transactions with the same related party and the similar transactions with different related parties are less than 5% of the Company's latest audited net assets.

I. OVERVIEW OF RELATED PARTY/CONNECTED TRANSACTION

On 14 January 2025, the eighth meeting of the eleventh session of the board of directors of the Company approved the Resolution on the Capital Increase by the Company to Wufengshan Toll Bridge Company, A Direct Subsidiary of the Company, and approved the capital increase in cash by the Company in Wufengshan Toll Bridge Company, a direct subsidiary of the Company, at an amount of RMB108,517,200. Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司) (hereinafter referred to as “**Jiangsu Communications Holding**”) and Yangzhou Traffic Industry Group Co., Ltd. (揚州市交通產業集團有限責任公司) (hereinafter referred to as “**Yangzhou Traffic**”), other shareholders of Wufengshan Toll Bridge Company, shall participate in the pro rata capital increase in accordance with their own shareholdings which are RMB37,030,500 and RMB22,696,100, respectively.

Pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the capital increase, within the scope of authorization of the board of directors, was approved at the eighth meeting of the eleventh session of the board of directors. The capital increase is not subject to shareholders’ approval at the general meeting.

The relevant ratio calculated pursuant to Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) is expected to be more than 0.1% but less than 5% and therefore the Company’s participation in the capital increase is only subject to the announcement requirement but is exempt from independent shareholders’ approval requirement at general meeting under Rule 14A.76(2) (a) of the Hong Kong Listing Rules. A further announcement will be published in accordance with the Hong Kong Listing Rules upon the signing of the capital increase agreement.

The capital increase constitutes a related party transaction but does not constitute a major assets reorganization under the Measures for the Administration of Material Asset Reorganization of Listed Companies (《上市公司重大資產重組管理辦法》).

II. INFORMATION ON RELATED PARTIES/CONNECTED PERSONS

(I) Information on Relationships among Related Parties/Connected Persons

The controlling shareholder of the Company, Jiangsu Communications Holding, holds 22.01% equity interest in Wufengshan Toll Bridge Company, which is a direct subsidiary of the Company (the accounts of which are consolidated in the accounts of the Company) jointly invested by the Company and the related party, and the joint capital increase by the Company and the related party constitutes a related party transaction under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The controlling shareholder of the Company, Jiangsu Communications Holding, is a connected person of the Company under Rule 14A.07 of the Hong Kong Listing Rules. As Jiangsu Communications Holding holds more than 10% equity interest in Wufengshan Toll Bridge Company, a subsidiary of the Company, the capital increase constitutes a connected transaction of the Company as Wufengshan Toll Bridge Company is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Hong Kong Listing Rules.

(II) Basic Information on Related Parties/Connected Persons

1. Basic Information on Related Parties/Connected Persons

Jiangsu Communications Holding Co., Ltd.

Registered office: A2/F, Zijin Finance Zone, No. 399
Jiangdong Central Road, Nanjing City

Business nature: Limited liability company (Wholly state-owned) (*Note 1*)

Legal representative: Deng Dongsheng

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 (2023):	RMB834,353,090,000 (<i>Note 2</i>)
Net assets at the end of the latest accounting period (2023):	RMB327,117,221,000 (<i>Note 2</i>)
Revenue from operations for the latest accounting period (2023):	RMB103,654,187,000 (<i>Note 2</i>)
Net profit for the latest accounting period (2023):	RMB14,520,850,000 (<i>Note 2</i>)

Note 1: The ultimate beneficial owner: the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangsu Province, the PRC

Note 2: In accordance with the Accounting Standards for Business Enterprises of the People's Republic of China

2. Jiangsu Communications Holding is the controlling shareholder of the Company, holding 54.44% equity interest in the Company. Jiangsu Communications Holding and the Company have jointly invested in the establishment of Wufengshan Toll Bridge Company, a direct subsidiary of the Company, and Jiangsu Communications Holding's shareholding in Wufengshan Toll Bridge Company is 22.01%. Besides the disclosed related party/connected transactions, there is no other relationship in terms of property rights, business, assets and personnel with the Company.
3. The Company, a joint stock limited company established in Nanjing, Jiangsu Province, the PRC, is mainly engaged in construction, management, maintenance and collection of tolls of roads and expressways in Jiangsu Province.

III. BASIC INFORMATION ON THE SUBJECT OF THE RELATED PARTY/ CONNECTED TRANSACTION

1. **Transaction subject: The pro rata capital increase in the company jointly established by the related party/connected person**
2. **Overview of the target**

Jiangsu Wufengshan Toll Bridge Company Limited

Registered office: 401 Gangnan Road, New District, Zhenjiang City

Business nature: Limited liability 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%)
Yangzhou Traffic Industry Group Co., Ltd. (13.49%) (*Note 3*)

Principal business: Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation); expressway management and maintenance; management of municipal facilities

Total assets at the end of the latest accounting period (2023): RMB12,277,790,000 (*Note 4*)

Net assets at the end of the latest accounting period (2023): RMB4,844,987,000 (*Note 4*)

Revenue from operations for the latest accounting period (2023): RMB980,824,000 (*Note 4*)

Net profit for the latest accounting period (2023): RMB309,603,000 (*Note 4*)

Note 3: The principal business of Yangzhou Traffic is the financing, investment, construction and operation management of major transport infrastructure projects. It also engages in the construction, maintenance and operation of road and bridge and port work projects, logistics and online distribution, passenger and cargo transportation, port loading and unloading, and other industries encouraged by the state. Its ultimate beneficial owner is Yangzhou State-owned Assets Supervision and Administration Commission (To the best knowledge, information and belief of the directors and after making all reasonable enquiries, Yangzhou Traffic and its ultimate beneficial owner are third parties independent of the Company and its connected person).

Note 4: In accordance with the Accounting Standards for Business Enterprises of the People's Republic of China.

3. Ownership status of the target

The property rights of Wufengshan Toll Bridge Company are clear, except that the toll rights are pledged to relevant banks for project loans, there is no mortgage or any other encumbrances on transfer, no arbitration matters or judicial measures such as seizures or freezes, or other circumstances that would hinder the transfer of ownership.

4. Key financial indicators

Set out below is the audited financial information of Wufengshan Toll Bridge Company for the two financial years ended 31 December 2022 and 31 December 2023 and the non-audited financial information for the nine months ended 30 September 2024 prepared in accordance with PRC Accounting Standard for Business Enterprises (《中國企業會計準則》):

Unit: RMB0'000

Item	31 December 2022	31 December 2023	30 September 2024
Total assets	1,239,029.51	1,227,779.03	1,237,363.59
Net assets	453,538.47	484,498.73	514,278.70
			January – September 2024
Operating revenue	39,550.23	98,082.36	79,586.99
Profit before tax	-16,657.09	30,960.26	30,852.40
Net profit	-16,657.09	30,960.26	29,779.97

Note: The financial statements of Wufengshan Toll Bridge Company for the years 2022 and 2023 have been audited by KPMG Huazhen LLP, which has issued the standard unqualified opinions and is an auditor in compliance with the requirements of the Securities Law. Financial statements from January to September 2024 have not been audited.

- 5. Wufengshan Toll Bridge Company has not carried out any asset valuation, capital increase, capital reduction or restructuring during the past 12 months.**

IV. CAPITAL INCREASE ARRANGEMENT

The Road portion of the Wufengshan Yangtze River Road & Railway Bridge and the North-South Road Connection Project were opened to traffic in June 2021. The total budget approved for the project at that time was RMB12,065,860,000, of which RMB9,357,860,000 was for the North-South Road Connection Project and RMB2,708,000,000 was for the Road portion of the Yangtze River Bridge. The registered capital of Wufengshan Toll Bridge Company is RMB4,826,350,000, accounting for 40% of the total project budget, and the Company has contributed RMB3,112,980,000, accounting for 64.5% of the shareholdings.

Affected by the increase in prices of major materials, according to the approval of the “Reply of the Provincial Development and Reform Commission on the Adjustment of the Budget of the North-South Road Connection Project of the Wufengshan River-crossing Corridor” (Su Fa Gai Ji Chu Fa [2023] No. 1261) (《省發展改革委關於五峰山過江通道南北公路接線工程概算調整的批覆》(蘇發改基礎發[2023]1261號)), the budget was adjusted to RMB9,744,740,000, and then after the audit of the final account, the amount of the final account of the project was reduced compared with the adjusted budget, and the final investment in the North-South Road Connection Project of the Wufengshan River-crossing Corridor has to be increased by RMB383,959,400; furthermore, as a result of adjustments to the cost of land acquisition and demolition, according to the “Reply of China Railway Group and the People’s Government of Jiangsu Province Regarding Adjustments to the Cost of Land Acquisition and Demolition for the Newly-built Lianyungang-Zhenjiang Railway” (Tie Jian Han [2022] No. 477) (《國鐵集團江蘇省人民政府關於新建連雲港至鎮江鐵路征地拆遷費用調整的批覆》(鐵鑿函[2022]477號)), as well as the “Agreement on the Management of Construction of the Highway Project of the Wufengshan Road & Railway Bridge” (《五峰山公鐵兩用橋公路工程建設管理協議》), the investment in the Road portion of the Wufengshan Yangtze River Bridge has to be increased by RMB36,650,000, and the total investment in the North-South Road Connection Project of the Wufengshan River-crossing Corridor and the Road portion of the Yangtze River Bridge have to be increased by RMB420,609,400 in aggregate.

Pursuant to the terms of the Capital Contribution Agreement of Jiangsu Wufengshan Toll Bridge Company Limited signed in March 2017, 40% of the portion in excess of the approved budget of the project will be subject to capital increase by each of the investors in proportion to their respective shareholdings in Wufengshan Toll Bridge Company. Calculated on the basis of 40% of the increase in total investment of RMB420,609,400, the aggregate amount of capital

increase in Wufengshan Toll Bridge Company is RMB168,243,800. Based on the shareholding proportion of three shareholders, the Company shall contribute RMB108,517,200, accounting for 64.5%; Jiangsu Communications Holding shall contribute RMB37,030,500, accounting for 22.01%; and Yangzhou Traffic shall contribute RMB22,696,100, accounting for 13.49%. Upon completion of the capital increase, the registered capital of Wufengshan Toll Bridge Company will be increased from RMB4,826,350,000 to RMB4,994,593,800.

The shareholding structure of Wufengshan Toll Bridge Company before and after the capital increase is set out in the table below:

RMB0'000

Name of shareholders	Amount of capital contribution before capital increase	Proportion of registered capital of Wufengshan Toll Bridge Company before capital increase	Capital increase amount			Amount of capital contribution after capital increase	Proportion of registered capital of Wufengshan Toll Bridge Company after capital increase
			Road	Railway	Total		
Jiangsu Expressway Company Limited (the Company)	311,298	64.50%	9,906.15	945.57	10,851.72	322,149.72	64.50%
Jiangsu Communications Holding Co., Ltd.	106,228	22.01%	3,380.38	322.67	3,703.05	109,931.05	22.01%
Yangzhou Traffic Industry Group Co., Ltd.	65,109	13.49%	2,071.84	197.76	2,269.61	67,378.61	13.49%
Total	482,635	100%	15,358.38	1,466.00	16,824.38	499,459.38	100%

Note: In the table, there may be a tail difference between the sum of individual data and the number of related data, which is caused by rounding when calculating data.

V. MATERIAL TERMS OF THE CAPITAL INCREASE AGREEMENT TO BE SIGNED

1. Parties of the agreement

Original shareholder/capital contributor I: the Company

Original shareholder/capital contributor II: Jiangsu Communications Holding

Original shareholder/capital contributor III: Yangzhou Traffic

2. Capital increase scheme

The investment in the North-South Road Connection Project of the Wufengshan River-crossing Corridor has to be increased by RMB383,959,400, and the investment in the Road portion of the Wufengshan Yangtze River Bridge has to be increased by RMB36,650,000, resulting in a total increase of RMB420,609,400 in the total investment. The capital increase of Wufengshan Toll Bridge Company is based on 40% of the increase in the total investment, and the total amount of the capital increase in cash is RMB168,243,800.

3. Allocation of the increase in capital contribution by shareholders

After the capital increase, the total capital contribution of Wufengshan Toll Bridge Company will be increased to RMB4,994,593,800, and the capital contribution by shareholders and its proportion to the total capital contribution will be as follows: the Company shall make a capital contribution of RMB3,221,497,200, accounting for 64.50% of the total capital contribution; Jiangsu Communications Holding shall make a capital contribution of RMB1,099,310,500, accounting for 22.01% of the total capital contribution; and Yangzhou Traffic shall make a capital contribution of RMB673,786,100, accounting for 13.49% of the total capital contribution.

4. Capital contribution schedule

The capital increase under this agreement shall be transferred to the account of Wufengshan Toll Bridge Company in one/multiple installment(s) before 28 February 2025, and the specific time and amount of capital contribution shall be subject to the capital contribution notice issued by Wufengshan Toll Bridge Company.

VI. EFFECTS OF THE CAPITAL INCREASE ON THE LISTED COMPANY

The Road portion of the Wufengshan Yangtze River Bridge and the North-South Road Connection Project under the management of Wufengshan Toll Bridge Company, a direct subsidiary of the Company, are of high quality, with strong profitability and a relatively high rate of return on investment. Due to the current changes in the market environment leading to an increase in the project budget, the pro rata capital increase by the original shareholders is conducive to securing the normal operation and development of the project, facilitating the long-term and sustainable development of Wufengshan Toll Bridge Company, and further enhancing the rate of return on investment for the shareholders.

The related party/connected transaction is conducted on a voluntary, fair and reasonable basis and in accordance with the principle of consensus. Upon completion of the capital increase, the Company's shareholding in Wufengshan Toll Bridge Company will remain unchanged, which will not lead to any change in the scope of the consolidated statement of the listed company, will not adversely affect the Company's future financial position and of operating results, and will not prejudice the interests of the listed company and its shareholders, in particular the minority shareholders.

VII. APPROVAL PROCEDURES OF THE RELATED PARTY/CONNECTED TRANSACTION

(I) Considerations at the Special Meeting of the Independent Directors

On 13 January 2025, the Resolution on the Capital Increase by the Company to Wufengshan Toll Bridge Company, A Direct Subsidiary of the Company was approved at the special meeting of the independent directors of the eleventh session of the board of directors of the Company, and all the independent directors unanimously agreed to submit this resolution to the board of directors for approval.

(II) Considerations of the Audit Committee of the Board of Directors

On 13 January 2025, the Resolution on the Capital Increase by the Company to Wufengshan Toll Bridge Company, A Direct Subsidiary of the Company was approved at the audit committee of the eleventh session of the board of directors of the Company, and all the members unanimously agreed to submit this resolution to the board of directors for approval.

(III) Considerations of the Board of Directors

On 14 January 2025, the Company convened the eighth meeting of the eleventh session of the board of directors and approved the Resolution on the Capital Increase by the Company to Wufengshan Toll Bridge Company, A Direct Subsidiary of the Company. Mr. Chen Yunjiang, Mr. Wang Yingjian and Ms. Xie Mengmeng, being related/connected directors, have abstained from voting, while the remaining directors voted in favour of the aforesaid resolution, and considered that the transaction was conducted on normal commercial terms and the terms of the transaction were fair and reasonable and in the interests of the Company and its shareholders as a whole.

By Order of the Board
Wang Feng
Executive Director

Nanjing, the PRC, 15 January 2025

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

Chen Yunjiang[#], Wang Yingjian[#], Xie Mengmeng[#], Wang Feng, Zhang Xinyu, Yang Shaojun[#], Yang Jianguo[#], Ma Chung Lai, Lawrence[#], Xu Guanghua, Ge Yang*, Gu Zhaoyang*, Tan Shijun*, Sun Lijun**

[#] *Non-executive Directors*

* *Independent Non-executive Directors*