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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 ON RELATED PARTY/CONTINUING
CONNECTED TRANSACTION**

On 14 January 2025, the Company and its subsidiary, Guangjing Xicheng Company, entered into agreements with Communications Media Company and Factoring Company in respect of the following related party/continuing connected transactions:

1. Guangjing Xicheng Company, a direct subsidiary of the Company, entered into an agreement with Communications Media Company in relation to the advertising operation cooperation project, pursuant to which, Guangjing Xicheng Company shall lease high-pillar billboards, wall advertisement spaces and other advertising resources of roads under its management to Communications Media Company, which shall be responsible for the external tendering and distribution. The term of the agreement is from 15 January 2025 to 31 December 2027, and the expected rental income shall not exceed RMB16,400,000.
2. Due to capital needs of the Company's tenant, Kaitong Company which leases Yangcheng Lake Service Area of Shanghai Nanjing Expressway under the Company's management, the Company entered into a commercial factoring contract with Kaitong Company and Factoring Company, pursuant to which, the accounts receivable from Kaitong Company under the Lease Operation Contract of Yangcheng Lake Service Area shall be transferred to Factoring Company, and Factoring Company shall provide non-recourse commercial factoring services. The term of the agreement is from 15 January 2025 to 31 December 2025, and the factoring amount shall not exceed RMB23,000,000.

Since Communications Media Company and Factoring Company, counterparties to the transactions, and the Company are under the common control by Jiangsu Communications Holding, such transactions constitute related party transactions under the Shanghai Listing Rules. As the total amount of relevant fees related to related party transactions with Communications Media Company and Factoring Company account for less than 0.5% of the absolute value of the latest audited net assets of the Company, the related party transactions are not subject to any disclosure requirements.

Pursuant to Rule 14A.07(1) of the Hong Kong Listing Rules, Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company. As Communications Media Company and Factoring Company are directly owned as to 30% or more by Jiangsu Communications Holding, Communications Media Company and Factoring Company are connected persons of the Company under Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules. Accordingly, the agreements entered into among the Company, its subsidiary, Communications Media Company and Factoring Company and the transactions thereunder in respect of the above projects constitute continuing connected transactions of the Company.

Pursuant to the Hong Kong Listing Rules, as the revenue ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the annual caps for the above continuing connected transactions exceeds 0.1% but is less than 5%, such transactions are only subject to the announcement requirement but are exempt from the independent shareholders' approval requirement at general meeting under Rule 14A.76(2) (a) of the Hong Kong Listing Rules. The above transactions shall also be subject to the annual review requirements under Rule 14A.55 to Rule 14A.59 of the Hong Kong Listing Rules.

IMPORTANT NOTICE:

- The related party/continuing connected transactions are not subject to approval at general meeting.
- The directors (including independent non-executive directors) of the Company are of the view that the transactions of advertising operation cooperation project are conducted in the ordinary and usual course of business of the Company, and although the factoring arrangement is not in the ordinary and usual course of business of the Company, the two transactions are on normal commercial terms and the prices of the transactions are fair and reasonable. The revenue and profit of the Company are not dependent on such type of related party/connected transactions and such transactions do not affect the independence of the Company as a listed company or impose any negative effects on or prejudice the interests of the Company and its unrelated/unconnected shareholders, especially the interest of the minority shareholders, and are in the interests of the Company and its shareholders as a whole.
- Other matters that need to be brought to the attention of the investors: None.

I. BASIC INFORMATION ON THE RELATED PARTY/CONTINUING CONNECTED TRANSACTIONS

(I) Procedures on the Consideration of Related Party/Continuing Connected Transactions

The eight meeting of the eleventh session of the board of directors of Jiangsu Expressway Company Limited (the “**Company**”) held on 14 January 2025 considered and approved the engagement of the Company and Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司) (“**Guangjing Xicheng Company**”), a subsidiary of the Company, in the following related party/continuing connected transactions with Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司) (“**Communications Media Company**”) and Jiangsu Communications Holding Commercial Factoring (Guangzhou) Co., Ltd. (蘇交控商業保理(廣州)有限公司) (“**Factoring Company**”).

1. On 14 January 2025, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into an agreement with Communications Media Company in relation to the advertising operation cooperation project, pursuant to which, Guangjing Xicheng Company shall lease high-pillar billboards, wall advertisement spaces and other advertising resources of roads under its management to Communications Media Company, which shall be responsible for the external tendering and distribution. The term of the agreement is from 15 January 2025 to 31 December 2027, and the expected rental income shall not exceed RMB16,400,000.
2. Due to capital needs of the Company’s tenant, Jiaxing Kaitong Investment Co., Ltd. (嘉興市凱通投資有限公司) (“**Kaitong Company**”), which leases Yangcheng Lake Service Area of Shanghai Nanjing Expressway under the Company’s management, on 14 January 2025, the Company entered into a commercial factoring contract with Kaitong Company and Factoring Company, pursuant to which, the accounts receivable from Kaitong Company under the Lease Operation Contract of Yangcheng Lake Service Area shall be transferred to Factoring Company, Factoring Company shall provide non-recourse commercial factoring services. The term of the agreement is from 15 January 2025 to 31 December 2025, and the factoring amount shall not exceed RMB23,000,000.

Mr. Chen Yunjiang, Mr. Wang Yingjian and Ms. Xie Mengmeng, being related/connected directors of the Company (all being employees of Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司) (“**Jiangsu Communications Holding**”), the controlling shareholder of the Company), have abstained from voting on the above resolutions. All remaining directors have voted in favour of the above resolutions and are of the view that the transactions of advertising operation cooperation project are conducted in the ordinary and usual course of business of the Company, and although the factoring arrangement is not in the ordinary and usual course of business of the Company, the two transactions are on normal commercial terms and the terms of the transactions are fair and reasonable and in the interests of the shareholders as a whole.

In accordance with the Administrative Measures for Independent Directors of Listed Companies 《上市公司獨立董事管理辦法》 of the China Securities Regulatory Commission, the five independent directors of the Company have held a special meeting of independent directors on the above related party/connected transactions, expressed approval opinions and agreed to submit the same to the board of directors for approval.

In accordance with the Administrative Measures for Independent Directors of Listed Companies 《上市公司獨立董事管理辦法》 of the China Securities Regulatory Commission, the Audit Committee of the Company has reviewed the above related party/connected transactions and agreed to submit the same to the board of directors for approval.

Since Communications Media Company and Factoring Company, counterparties to the transactions, and the Company are under the common control by Jiangsu Communications Holding, such transactions constitute related party transactions under the Shanghai Listing Rules. As the total amount of relevant fees related to related party transactions with Communications Media Company and Factoring Company account for less than 0.5% of the absolute value of the latest audited net assets of the Company, the related party transactions are not subject to any disclosure requirements.

Pursuant to Rule 14A.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), being companies directly owned as to 30% or more by Jiangsu Communications Holding, Communications Media Company and Factoring Company are connected persons of the Company under the Hong Kong Listing Rules. Accordingly, the agreements entered into among the Company, Communications Media Company and Factoring Company and the transactions thereunder in respect of the above projects constitute continuing connected transactions of the Company.

Pursuant to the Hong Kong Listing Rules, as the revenue ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules in respect of the annual caps (the above transactions shall be aggregated with previously announced transactions in accordance with Rule 14A.81 of the Hong Kong Listing Rules) for the above continuing connected transactions exceeds 0.1% but is less than 5%, such transactions are only subject to the announcement requirement but are exempt from the independent shareholders’ approval requirement at general meeting under Rule 14A.76(2) (a) of the Hong Kong Listing Rules. The above transactions shall also be subject to the annual review requirements under Rule 14A.55 to Rule 14A.59 of the Hong Kong Listing Rules.

The related party transactions are not subject to approval by any other authorities.

(II) Estimated Amount and Category of Related Party/Continuing Connected Transactions

Category of related party/connected transaction	Related party/connected person	2025	2025	Estimated increase in 2025 (RMB’0,000)	2025 current estimated amount (RMB’0,000)
		original estimated amount (RMB’0,000)	accumulated amount as at the date of announcement (RMB’0,000)		
Advertising operation cooperation project	Communications Media Company	1,710.67	0	690	2,400.67
Factoring business service project	Factoring Company	100	0	2,300	2,400

II. INFORMATION ON RELATED PARTIES/CONNECTED PERSONS AND RELATED/CONNECTED RELATIONSHIP

(I) Basic Information on the Related Parties/Connected Persons

Jiangsu Expressway Company Limited

Registered office:	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Business nature:	Joint-stock limited company
Legal representative:	Chen Yunjiang
Registered capital:	RMB5,037,747,500
Principal business:	Construction, management, maintenance and toll collection of toll roads and expressways in Jiangsu Province
Total assets at the end of the latest accounting period (2023)#:	RMB78,661,443,000
Net assets at the end of the latest accounting period (2023)#:	RMB33,987,287,000
Revenue from operations for the latest accounting period (2023)#:	RMB15,192,010,000
Net profit for the latest accounting period (2023)#:	RMB4,609,625,000

Jiangsu Communications & Culture Media Company Limited

Registered office:	13/F, Building A3, Science and Technology Innovation Complex, No. 8 Bailongjiang East Street, Jianye District, Nanjing City
Business nature:	Limited liability company
Legal representative:	Xia Jiming
Registered capital:	RMB268,000,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Company Limited (37.31%) (<i>Note 1</i>) Jiangsu Xinhua Newspaper Media Group Co. Ltd. (江蘇新華報業傳媒集團有限公司) (25.37%) (<i>Note 1</i>) Jiangsu Expressway Company Limited (22.40%) Jiangsu Jinghu Expressway Company Limited (7.46%) (江蘇京滬高速公路有限公司) (<i>Note 2</i>) Jiangsu Orient Expressway Operation and Management Company Limited (江蘇東方高速公路經營管理有限公司)(3.73%) (<i>Note 1</i>) Jiangsu Orient Road & Bridge Construction and Maintenance Company Limited (江蘇東方路橋建設養護有限公司) (3.73%) (<i>Note 1</i>)
Principal business:	Design, production, agency and publication of domestic advertisements of various kinds
Total assets at the end of the latest accounting period (2023)#:	RMB558,879,000
Net assets at the end of the latest accounting period (2023)#:	RMB366,610,000
Revenue from operations for the latest accounting period (2023)#:	RMB164,668,000
Net profit for the latest accounting period (2023)#:	RMB21,538,000

Jiangsu Guangjing Xicheng Expressway Company Limited

Registered office:	6 Xianlin Avenue, Nanjing, Jiangsu Province
Business nature:	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. (招商局公路網絡科技控股股份有限公司) (15%) (Note 3)
Principal business:	Construction, management, maintenance and toll collection of expressways
Total assets at the end of the latest accounting period (2023)#:	RMB16,073,287,000
Net assets at the end of the latest accounting period (2023)#:	RMB9,138,138,000
Revenue from operations for the latest accounting period (2023)#:	RMB2,641,293,000
Net profit for the latest accounting period (2023)#:	RMB682,075,000

Jiangsu Communications Holding Commercial Factoring (Guangzhou) Co., Ltd.

Registered office:	Room 2810, No. 2 Huitong Second Street, Hengli Town, Nansha District, Guangzhou (Office only)
Business nature:	Other limited liability company
Legal representative:	Dai Qian
Registered capital:	RMB600,000,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Company Limited (80%) (<i>Note 1</i>) Jiangsu Yunshan Asset Management Co., Ltd. (江蘇雲杉資本管理有限公司) (20%) (<i>Note 1</i>)
Principal business:	Commercial factoring
Total assets at the end of the latest accounting period (2024)#:	RMB3,367,396,540
Net assets at the end of the latest accounting period (2024)#:	RMB686,571,800
Revenue from operations for the latest accounting period (2024)#:	RMB96,638,360
Net profit for the latest accounting period (2024)#:	RMB33,899,050

In accordance with the Accounting Standards for Business Enterprises of the PRC

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

Note 2: The ultimate beneficial owner: Jiangsu Communications Holding Company Limited (70.27%), Jiangsu Yueda Investment Co., Ltd. (江蘇悅達投資股份有限公司) (6%) (Shanghai Stock Exchange stock code: 600805), State-owned Assets Supervision and Administration Commission of Yangzhou People's Government (11.76%). Based on publicly available information, there are no other persons holding more than 5% interests in the company.

Note 3: The ultimate beneficial owner: a company listed on the Shenzhen Stock Exchange with stock code 001965.

(II) Related/Connected Relationship with the Listed Company

The controlling shareholder of the Company is the actual controller of Communications Media Company and Factoring Company, as such, Communications Media Company and Factoring Company are related parties of the Company and the relevant transactions constitute related party transactions under Rule 6.3.3 of the Listing Rules of the Shanghai Stock Exchange.

Pursuant to Rule 14A.07(1) of the Hong Kong Listing Rules, Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company. Being companies directly owned as to 30% or more by Jiangsu Communications Holding, Communications Media Company and Factoring Company are connected persons of the Company under Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules.

(III) Implementation of Related Party/Connected Transactions of the Same Type in the Previous Period and Performance Capability Analysis

As Communications Media Company, Factoring Company and the Company are fellow subsidiaries, the previous agreements entered into have been effectively implemented without any breach, the Company considers that there is no risk of non-performance of the agreements for the related party/connected transactions.

(IV) Jiaxing Kaitong Investment Co., Ltd.

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of Kaitong Company is Shen Jianqiang and Kaitong Company and its ultimate beneficial owner are third parties independent of the Company and its connected persons. Based on publicly available information, Kaitong Company is engaged in the investment, operation and management of expressway service areas.

III. MAIN CONTENT AND PRICING POLICY OF RELATED PARTY/ CONNECTED TRANSACTIONS

1. Advertising Operation Cooperation Project

In order to better ensure the stability and profitability of the advertising revenue of the roads under its management, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into an agreement with Communications Media Company, pursuant to which, Guangjing Xicheng Company shall lease high-pillar billboards, wall advertisement spaces and other advertising resources of roads under its management to Communications Media Company, which shall be responsible for the external tendering and distribution. The term of the agreement is from 15 January 2025 to 31 December 2027, and the expected rental income shall not exceed RMB16,400,000, with the transaction amount not exceeding RMB6,900,000 from 15 January 2025 to 31 December 2025; not exceeding RMB5,000,000 from 1 January 2026 to 31 December 2026; and not exceeding RMB4,500,000 from 1 January 2027 to 31 December 2027.

The rental income from the advertising operation cooperation project is based on the actual revenue to be released by the advertising media company at the end of each year and shall be shared on a pro rata basis, which is determined through market inquiry. The Company made inquiries to three companies with relevant qualifications according to the requirements regarding the advertising operation cooperation project, among which, Communications Media Company is a related party/connected person of the Company, and the other two companies are third parties independent of the Company and its related parties/connected persons. The quoted ratio for Communications Media Company is 6:4, and other two companies are 5.5:4.5 and 5:5, respectively. The quotation submitted by Communications Media Company can enable Guangjing Xicheng Company to obtain the highest return and is competitive in the market. In order to ensure the fairness and reasonableness of the transaction terms, the internal control department of the Company conducted a comprehensive review of all reports and relevant documents (including but not limited to the reasons for inviting these three companies for bidding, the quotations and terms of agreements) to ensure the fairness of the pricing of the related party transaction.

The maximum amount of the agreement is calculated based on past rental income and in conjunction with the current market advertising revenue. It is estimated that the rental income will not exceed RMB6,900,000, RMB5,000,000 and RMB4,500,000, respectively, in the next three years, and the rent shall be collected by Guangjing Xicheng Company on an annual basis.

2. Factoring Business Service

Due to capital needs of the Company's tenant, Kaitong Company which leases Yangcheng Lake Service Area of Shanghai Nanjing Expressway under the Company's management, the Company entered into a commercial factoring contract with Kaitong Company and Factoring Company, pursuant to which, the accounts receivable from Kaitong Company under the Lease Operation Contract of Yangcheng Lake Service Area shall be transferred to Factoring Company, and Factoring Company shall provide non-recourse commercial factoring services. The Company shall collect the accounts receivable in full based on the completed services of the lessee at the service area and the information provided in the contract, and the Company shall apply to Factoring Company for drawdown of the factoring facility within the scope of factoring limit. The term of the agreement is from 15 January 2025 to 31 December 2025, and the scope of limit shall not exceed RMB23,000,000.

Established on 25 December 2018, Factoring Company is among the first batch of enterprises to be included in the "white list" of commercial factoring enterprises as approved by the Local Financial Regulatory Administration, and is the only commercial factoring company in Jiangsu SASAC System.

The limit of the factoring facility is based on the calculation of the Company's receivables from Kaitong Company under the underlying lease between the Company and Kaitong Company, and the factoring facility shall be fully paid by Factoring Company to the Company in one lump sum upon the agreement becoming effective.

Interest on the factoring facility payable by Kaitong Company to Factoring Company shall be determined after arm's length negotiations between Kaitong Company and Factoring Company. Factoring Company shall provide non-recourse commercial factoring services to Company and bear the relevant risks of the factoring business.

IV. PURPOSE OF THE RELATED PARTY/CONNECTED TRANSACTIONS AND ITS EFFECTS ON THE LISTED COMPANY

The transactions of advertising operation cooperation project are conducted in the ordinary and usual course of business of the Company, and although the factoring arrangement is not in the ordinary and usual course of business of the Company, the considerations of the two transactions are determined with reference to the fair price on the market, the transactions do not impair the interests of the Company, nor do they involve any transfer of benefits to the internal related party/connected persons of the Group. Meanwhile, by leveraging on synergies derived from the businesses of the internal related/connected companies of the Group, the Company can further reduce its management costs and improve its management efficiency to ensure effective operation of its principal businesses. The revenue and profit of the Company are not dependent on such related party/connected transactions and hence the independence of the Company as a listed company will not be impaired. The related party/connected transactions do not have any adverse impacts on the Company.

Therefore, the directors (including independent non-executive directors) of the Company are of the view that the above transactions of advertising operation cooperation project are conducted in the ordinary and usual course of business of the Company, and although the factoring arrangement is not in the ordinary and usual course of business of the Company, the two transactions are on normal commercial terms and the terms of the transactions are fair and reasonable. The revenue and profit of the Company are not dependent on such transactions and as such, the independence of the Company as a listed company will not be impaired. The transactions do not have any adverse impacts on the Company and will not damage the interests of the Company and its unrelated/unconnected shareholders, especially the interest of the minority shareholders, and are 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*