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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 ORDINARY RELATED PARTY/POTENTIAL
CONTINUED CONNECTED TRANSACTION**

The board of directors of the Company and all members of the board of directors warrant that there is no false representations or misleading statements contained in, or material omissions from, this announcement and accept legal responsibility for the truthfulness, accuracy and completeness of its content.

Guangjing Xicheng Company, a subsidiary of the Company, entrusted the project construction management to the Transportation Construction Bureau in respect of the Guangjing North Section Extension Project and the Xiyi Expressway South Section Extension Project. In respect of the procurement of asphalt and new materials of the two projects, JSE New Material Company (as the supplier) shall provide modified asphalt, non-viscous wheel emulsified asphalt, high-modulus additives, ligno-mass fibers, anti-splitting agents and other construction materials to Guangjing Xicheng Company. The performance period of asphalt and other materials procurement required for the Guangjing North Section Extension Project is from 1 July 2025 to 30 July 2026, with the annual caps of RMB30.0 million and RMB56.13 million in 2025 and 2026, respectively. The performance period of asphalt and other materials procurement required for the Xiyi Expressway South Section Extension Project is from 1 July 2025 to 31 December 2025, with the annual cap of RMB229.31 million.

JSE New Material Company is an indirect wholly-owned subsidiary of Jiangsu Communications Holding, the controlling shareholder of the Company. JSE New Material Company is a related party of the Company and its subsidiaries, and the relevant transaction constitutes a related party transaction under Rule 10.1.3 of Chapter 10 of the Shanghai Listing Rules.

According to Rule 14A.07 of the Hong Kong Listing Rules, Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company. Pursuant to Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules, JSE New Material Company, being indirect subsidiary of Jiangsu Communications Holding, is a connected person of the Company.

According to Rules 6.3.7 and 6.3.15 of the Shanghai Listing Rules and the principle of aggregation calculation conducted with the same related party (the same controlling entity, i.e. Jiangsu Communications Holding), the amounts of the transactions entered into within twelve months accounts for more than 5% of the audited absolute value of the net assets of the Company in the latest period, the abovementioned related party transaction shall be subject to consideration and approval at a general meeting, and Jiangsu Communications Holding is required to abstain from voting thereon.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules is more than 0.1% but less than 5%, the transaction is only subject to the announcement and annual review requirements under Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules, but exempt from approval of the independent shareholders at the general meeting pursuant to Rule 14A.76(2)(a) of the Hong Kong Listing Rules.

Further announcement will be published in accordance with the Hong Kong Listing Rules after the signing of the agreement.

IMPORTANT NOTICE:

1. The transaction shall be subject to consideration and approval at a general meeting, and Jiangsu Communications Holding Company Limited, the controlling shareholder of the Company, shall abstain from voting.
2. The directors (including independent non-executive directors) of the Company are of the view that the transaction is conducted in the ordinary and usual course of business of the Company, on normal commercial terms, and the terms (including the prices of the transactions) are fair and reasonable. The revenue and profit of the Company are not dependent on such related party/continued connected transactions and such transaction does not influence the independence of the Company as a listed company or impose any negative effects on or prejudice the interests of the Company and unrelated shareholders, especially the interest of the minority shareholders.

3. Unless otherwise specified, this announcement on ordinary related party/potential continued connected transaction is denominated in RMB.
4. Other matters that need to be brought to the attention of the investors: None.

I. BASIC INFORMATION ON THE ORDINARY RELATED PARTY/POTENTIAL CONTINUED CONNECTED TRANSACTION

(I) Procedures for the consideration of ordinary related party/potential continued connected transaction

On 23 May 2025, the board of directors of Jiangsu Expressway Company Limited (the “**Company**”) considered and approved the following annual ordinary related party transaction and agreed that Guangjing Xicheng Company, a subsidiary of the Company, to carry out a related party/continued connected transaction on the procurement of asphalt and new materials with Jiangsu Expressway New Material Technology Co., Ltd. (“**JSE New Material Company**”) and Jiangsu Provincial Transportation Engineering Construction Bureau (“**Transportation Construction Bureau**”). The project is subject to consideration and approval at a general meeting.

Mr. Chen Yunjiang, Mr. Wang Yingjian and Ms. Xie Mengmeng, being related/connected directors of the Company (both are employees of Jiangsu Communications Holding Company Limited (“**Jiangsu Communications Holding**”)), have abstained from voting on the abovementioned resolution. All the remaining directors have voted in favour of the abovementioned resolution and are of the view that the terms of the transaction are fair and reasonable, and are in the interests of the Company and the shareholders as a whole.

Five independent directors of the Company convened a special meeting of independent directors, considered and approved the related party transaction, and agreed to submit the proposal to the board of directors for consideration. The audit committee under the board of directors of the Company also reviewed the above related party transaction and agreed to submit the proposal to the board of directors for consideration.

JSE New Material Company is a wholly-owned subsidiary of Jiangsu Tongsha Industrial Investment Group Co., Ltd. (“**Tongsha Investment Company**”) and Tongsha Investment Company is a wholly-owned subsidiary of Jiangsu Communications Holding, which is the controlling shareholder of the Company. JSE New Material Company is a related party of the Company and its subsidiaries, and the relevant transaction constitutes a related party transaction under Rule 10.1.3 of Chapter 10 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “**Shanghai Listing Rules**”).

According 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**”), Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company. Pursuant to Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules, JSE New Material Company, being an indirect subsidiary of Jiangsu Communications Holding, is also a connected person of the Company.

According to Rules 6.3.7 and 6.3.15 of the Shanghai Listing Rules and the principle of aggregation calculation conducted with the same related party (the same controlling entity, i.e. Jiangsu Communications Holding), the amounts of the transactions entered into within twelve months accounts for more than 5% of the audited absolute value of the net assets of the Company in the latest period, the abovementioned related party transaction shall be subject to consideration and approval at a general meeting, and Jiangsu Communications Holding is required to abstain from voting thereon.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules is more than 0.1% but less than 5%, the transaction is only subject to the announcement and annual review requirement under Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules, but exempt from approval of the independent shareholders at the general meeting pursuant to Rule 14A.76(2)(a) of the Hong Kong Listing Rules. Further announcement will be published in accordance with the Hong Kong Listing Rules after the signing of the agreement.

This related party/continued connected transaction is not subject to approval by any other authorities.

**(II) Estimated Amounts and Categories of the Ordinary Related Party/
Potential Continued Connected Transaction**

Unit: RMB0'000

Related party/potential continued connected transaction category	Related party	Estimated amount for 2025	Proportion in similar business (%)	Accumulated transaction amount incurred with related parties from the beginning of 2025 to the disclosure date	Amount actually incurred in 2024	Proportion in similar business (%)
Materials purchased by Guangjing Xicheng Company from related party	JSE New Material Company	25,931	81.21	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Materials purchased from related party	Total	25,931	81.21	0	0	0
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 (2024):	RMB89,886,075,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2024):	RMB38,596,796,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2024):	RMB23,198,204,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2024):	RMB4,946,692,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Communications Holding Company Limited

Registered office:	A2 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 (2024):	RMB901,521,715,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2024):	RMB368,643,083,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2024):	RMB104,709,880,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2024):	RMB14,921,081,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway New Material Technology Co., Ltd.

Registered office:	No.2, Binjiang Road, Changjiang Town, Rugao City, Jiangsu Province
Business nature:	Limited liability company
Legal representative:	Chen Zhilin
Registered capital:	RMB260,000,000
Shareholders (Shareholding percentage):	Jiangsu Tongsha Industrial Investment Group Co., Ltd. (江蘇通沙產業投資集團有限公司) (100%) (Notes 1 and 2)
Principal business:	petroleum products sales, general cargo warehouse services, import and export of goods, import and export of technology, highway management and maintenance, service, development, consultation and promotion of technology, etc.
Total assets at the end of the latest accounting period (2024):	RMB785,674,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2024):	RMB402,140,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations at the end of the latest accounting period (2024):	RMB1,264,167,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit at the end of the latest accounting period (2024):	RMB110,327,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Ultimate beneficial owner

Note 1: Jiangsu Communications Holding.

Note 2: The ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangsu Provincial.

Guangjing Xicheng Company is engaged in highway construction, management and maintenance and toll collection.

Jiangsu Tongsha Industrial Investment Group Co., Ltd. is engaged in waterway transport business.

Jiangsu Provincial Transportation Engineering Construction Bureau is a deputy departmental-level public institution approved by the provincial government and supervised by the provincial department of transportation. The main responsibilities are: to implement national and provincial laws and regulations on traffic engineering construction, specifically undertake national and provincial key and large and medium-sized traffic engineering projects construction management; to cooperate with the provincial department of transportation in the preparation of annual plans for traffic engineering construction projects, and to cooperate in the financing of construction projects; to participate in project proposals and feasibility studies of traffic engineering construction projects, to organise the preparation and submission for approval of preliminary design and project estimates, and to cooperate in the assessment of land, environmental protection, water conservancy, etc.; to organise the preparation of construction plan design documents and submit them for approval, tender and other preparatory work for the traffic engineering construction projects; to organise, coordinate and manage the implementation process of construction projects according to the relevant plans of the traffic engineering construction projects; and to organise and participate in the completion acceptance of the traffic engineering construction projects, and cooperate in the audit of final accounts and post evaluation of the traffic engineering construction projects, as well as the property handover.

(II) Related Parties/Connected Persons Relationship with the Listed Company

Jiangsu Communications Holding, the controlling shareholder of the Company, is the controlling shareholder or actual controller of JSE New Material Company. JSE New Material Company is a related party/connected person of the Company and its subsidiaries, and the relevant transaction constitutes a related party transaction under Rule 6.3.3 of Chapter 16 of the Shanghai Listing Rules. According to Rule 14A.07 of the Hong Kong Listing Rules, Jiangsu Communications Holding, the controlling shareholder of the Company, is a connected person of the Company. Pursuant to Rules 14A.07(4) and 14A.13 of the Hong Kong Listing Rules, JSE New Material Company, being an indirect subsidiary of Jiangsu Communications Holding, is a connected person of the Company.

(III) Performance Capability Analysis of Related Parties/Connected Persons

As JSE New Material Company and the Company are fellow subsidiaries of the same controlling shareholder, the previous agreements entered into have been effectively implemented without any breach of contracts. Therefore, the Company considers that there is no risk of non-performance of the contracts for the related party/continued connected transaction.

III. MAIN CONTENT AND PRICING POLICY OF RELATED PARTY/ POTENTIAL CONTINUED CONNECTED TRANSACTION

- Guangjing Xicheng Company (as the entrusting party), a subsidiary of the Company, entrusted the project construction management to the Transportation Construction Bureau (as the entrusted party) in respect of the extension project of Guangling-Jingjiang section of Jinghu Expressway (the “**Guangjing North Section Extension Project**”) and the extension project of Xueyan Hub-Xiwu Hub section of Wuxi-Yixing Expressway (the “**Xiyi Expressway South Section Extension Project**”). In respect of the procurement of asphalt and new materials of the two projects, JSE New Material Company (as the supplier) shall provide construction materials such as modified asphalt, non-viscous wheel emulsified asphalt, high-modulus additives, ligno-mass fibers, anti-splitting agents and other related services required for the project to Guangjing Xicheng Company. The term and maximum amounts of the project are as follows:

Unit: RMB0’000

Project	Receiving service company	Content of the project	Performance period	Performance period and amount of the project		Total	Amount incurred in 2025	Amount incurred in 2024
				Amount to be incurred in 2025	Amount to be incurred in 2026			
Asphalt and new materials procurement project	Guangjing Xicheng Company	Asphalt and other materials procurement required for the Guangjing North Section Extension Project	From 1 July 2025 to 30 July 2026	3,000	5,613	8,613	0	0
	Guangjing Xicheng Company	Asphalt and other materials procurement required for the Xiyi Expressway South Section Extension Project	From 1 July 2025 to 31 December 2025	22,931	0	22,931	0	0
Total				25,931	5,613	31,544	0	0
Total				25,931	5,613	31,544	0	0

In terms of procurement price control, the contract price for asphalt primarily comprises two components: the cost of asphalt materials and the associated storage and transportation expenses. Guangjing Xicheng Company referenced the Jiangsu Expressway Material Price Index (Note 1) published by Jiangsu Provincial Department of Transportation, along with its fluctuation trends, to implement price control measures through a range of analytical and comparative methods.

Guangjing Xicheng Company based its pricing on a contemporaneous publicly tendered asphalt supply contract for 2 projects, including the Suqian-Sihong section of the Yancheng-Luoyang National Expressway in Jiangsu Province (this open tender attracted competitive bids from four major asphalt suppliers both within and outside the province, ensuring fully competitive pricing), and conducted a comparative analysis of both projects during their material procurement and execution phases, examining cyclical fluctuations in market material prices (with primary materials being imported from South Korea, where price variables include exchange rate movements) and differences in transportation distances. This analysis enabled Guangjing Xicheng Company to assess and control material costs. A price cap was determined after considering multiple factors including price fluctuations, transportation distance changes, and exchange rate movements.

Due to the high supply assurance requirements for asphalt procurement in expressway construction, advance stockpiling is necessary. From the fourth quarter of last year to the first quarter of this year, prices for petroleum asphalt, SBS-modified asphalt, and related storage and transportation costs generally rose to high levels, influenced by fluctuations in the international raw materials market. Although asphalt prices have seen a slight decline in past two months, historical data suggests that during the peak construction period each year (June to October), asphalt market prices tend to rise. To mitigate risks associated with price fluctuation during contract implementation, Guangjing Xicheng Company required suppliers to adopt a fixed-unit price procurement model for this project without any price adjustment mechanism, thereby transferring all price fluctuation risks to suppliers while Guangjing Xicheng Company assumes no risks associated with raw material price increases.

In terms of selection of supplier, in line with the current business requirements (Note 2), Guangjing Xicheng Company conducted unified price inquiries with three qualified companies regarding the supply specifications. Among them, JSE New Material Company is a related party of the Company, while the other two companies are independent third parties not related to the Company or its related parties or connected persons. After a comprehensive analysis of the quotations and services provided by these three entities, JSE New Material Company offered the most competitive contract price. Consequently, Guangjing Xicheng Company selected JSE New Material Company as the supplier and considered that the unit prices for the procurement of asphalt and related materials were fair and reasonable.

Note 1: Expressway construction in Jiangsu Province imposes stringent requirements on material quality indicators and supporting services, especially for asphalt-related materials, which refer to the American SHRP asphalt standard. The production process requires the support of information data collection and upload capabilities. Delivery of raw materials and finished products for different projects necessitates the use of dedicated storage tanks and specialised transportation vehicles to meet the supply demands of large-scale projects, with technical and service requirements far exceeding national standards.

Note 2: JSE New Material Company is the largest large-scale asphalt supply unit in the Jiangsu region, with extensive experience in asphalt supply. The main materials of the procurement are as follows: 40,659.31 tons of SBS modified asphalt, 3,841.02 tons of modified emulsified asphalt, 2,062.8 tons of road petroleum asphalt, 489.65 tons of rubber asphalt, 473.33 tons of non-viscous wheel emulsified asphalt, 155.1 tons of drainage asphalt, 1,143.13 tons of high-modulus additives, 782.87 tons of ligno-mass fibers, and some engineering auxiliary materials. The total price is estimated in accordance with the materials required for the project, production and processing costs, transportation and warehousing costs, and technical process adaptation costs to meet expressway construction requirements.

Payments for the project are made according to the quantities supplied, with one payment for every 1,000 tons of modified asphalt and high-modulus modifiers; one payment for every 500 tons of modified emulsified asphalt, non-viscous wheel emulsified asphalt; and payment for ligno-mass fibers, anti-splitting agents, epoxy modifiers, epoxy resins, rubber asphalt, polymeric fibers and high-viscosity modifiers at the end of the year upon completion of the supply. Guangjing Xicheng Company, JSE New Material Company and the Transportation Construction Bureau will confirm the quantity and value of the supplies upon reaching the settlement quantity, and process the asphalt settlement document. 97% of the payment for each settlement shall be made, with the remaining 3% of the warranty deposit, to be paid in one lump sum upon the completion and acceptance of the project. All payments for the project will be made by Guangjing Xicheng Company to the contractor, JSE New Material Company, by entrusting the Transportation Construction Bureau with its own funds or financing funds in line with the use of funds. The Transportation Construction Bureau is responsible solely for verifying the progress of construction (including procurement) and making payment on behalf of Guangjing Xicheng Company without charging any fees.

The project agreement is subject to consideration and approval at a general meeting of the Company.

IV. PURPOSE OF THE RELATED PARTY/POTENTIAL CONTINUED CONNECTED TRANSACTION AND THEIR EFFECTS ON THE COMPANY

The transaction is an ordinary business contract of the Company's subsidiaries. The contract prices are determined with reference to the fair market price, do not harm the interests of the Company, nor do they involve any benefit transfer to the related parties of the Group to which the Company and its subsidiaries form part. By leveraging on synergies derived from the business of the related companies of the Group to which the Company and its subsidiaries form part, the Company and its subsidiaries can further save management costs and improve management efficiency to ensure effective operation of principal businesses. The income and profit of the company and its subsidiaries are not dependent on such related party/continued connected transaction and hence the independence of the Company as a listed company will not be impaired. The transaction does 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 transaction is conducted in the ordinary and usual course of business of the Company and/or its subsidiary and the transaction is conducted on normal commercial terms or better which is fair and reasonable. The transaction will not damage the interests of the Company and its unrelated/unconnected shareholders, especially the interests of the minority shareholders, and is in the interests of the Company and its shareholders as a whole.

By Order of the Board
Wang Feng
Executive Director

Nanjing, the PRC, 27 May 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*