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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)

PROGRESS ANNOUNCEMENT DISCLOSEABLE AND CONNECTED TRANSACTION CASH ACQUISITION OF 100% EQUITY INTERESTS IN SUXICHANG SOUTH EXPRESSWAY COMPANY AND CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION

THE ACQUISITION

On 27 August 2026, with a view to further expand its asset scale in the southern Jiangsu road network, optimize asset allocation, consolidate the foundation of its principal business, and improve the sustainability of its continual development, the Company (as purchaser and transferee) entered into the Equity Transfer Agreement with Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding (as vendors and transferors of their respective shareholdings of Target Equity) and agreed to acquire 65%, 22.82% and 12.18% equity interests held by Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding, respectively, in the Suxichang South Expressway Company, at the consideration of RMB4,771,929,500, RMB1,675,226,800 and RMB894,273,700, respectively (such consideration is calculated on a pro-rata basis based on the appraised value in the State-owned Asset Valuation Report), totaling RMB7,341,430,000, with the final consideration being subject to the valuation filed with the relevant State-owned Assets Supervision and Administration Department.

Upon completion of the Acquisition, the Company will hold 100% equity interest in Suxichang South Expressway Company.

Completion of the Acquisition is subject to the fulfilment of conditions precedent, including but not limited to, the approval by the independent shareholders at a general meeting of the Company and the Transferors having completed the necessary approval/filing procedures for the transfer of equity interest in compliance with the regulations of the relevant State-owned Assets Supervision and Administration Department and other competent/regulatory authorities.

According to Article 6.3.3 of the Shanghai Listing Rules, as the counterparty of this transaction is Jiangsu Communications Holding (the controlling shareholder of the Company), a related party of the Company, the transaction constitutes a related party transaction. Pursuant to Articles 6.3.7 and 6.3.9 of the Shanghai Listing Rules, as the total amount of this transaction to the absolute value of the Company's latest audited net assets is higher than 5%, this transaction shall be submitted to the general meeting for approval where Jiangsu Communications Holding (as a related shareholder) is required to abstain from voting.

This related party transaction does not constitute a major asset reorganization and does not involve the transfer of liabilities as stipulated in the Measures for the Administration of Major Asset Restructuring of Listed Companies.

As Jiangsu Communications Holding is the controlling shareholder of the Company, it is a connected person of the Company pursuant to Rule 14A.07(1) of the Hong Kong Listing Rules. The Company's acquisition of 65% of the equity interest in Suxichang South Expressway Company held by Jiangsu Communications Holding pursuant to the Equity Transfer Agreement constitutes a connected transaction of the Company. Pursuant to Rule 14A.28(1) of the Hong Kong Listing Rules, at the time the Company entered into the Equity Transfer Agreement with Wuxi Transportation and Changzhou Communications Holding, Jiangsu Communications Holding still held the equity interest in the Suxichang South Expressway Company; therefore, the acquisition of 22.82% and 12.18% of the equity interests in the Suxichang South Expressway Company from Wuxi Transportation and Changzhou Communications Holding, respectively, constitutes a connected transaction of the Company. As the highest applicable percentage ratio calculated according to Rule 14.07 of the Hong Kong Listing Rules for the consideration of the Acquisition together with the amount of Jiangsu Communications Holding's guarantees expected to be assumed by the Company pursuant to the Equity Transfer Agreement (aggregated pursuant to Rule 14.15(3) of the Hong Kong Listing Rules) exceeds 5% but does not exceed 25%, the Acquisition also constitutes a discloseable transaction of the Company. As such, the Acquisition is subject to the announcement, circular and independent shareholders' approval requirements under Rules 14.33, 14A.35, 14A.36 and 14A.46 of the Hong Kong Listing Rules.

CONTINUING CONNECTED TRANSACTIONS AFTER COMPLETION OF THE ACQUISITION

Upon completion of the transfer of the Target Equity, Suxichang South Expressway Company will become a wholly-owned subsidiary of the Company. (1) The entrustment of the ordinary operation and management matters (excluding the service areas and petrol stations) of Suxichang South Expressway Company to the Company, (2) the entrustment of the management of service areas of Suxichang South Expressway Company to Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, and (3) the operational leasing of the service area petrol stations to the Company will no longer constitute continuing connected transactions of the Company whereas the transactions conducted in the ordinary and usual course of business of Suxichang South Expressway Company with Jiangsu Communications Holding and its associates will constitute ordinary related party transactions/continuing connected transactions of the Company.

Continuing Connected Transactions Subject to Disclosure

No.	**Transactions**	**Connected Persons**	**Period**	**Maximum contract caps**
1	Deposits with Finance Company	Finance Company	The transaction shall be conducted pursuant to the Financial Services Agreement between the Company and the Finance Company	
2	Cloud check-in technical services	Micro Video Company	14 August 2026 to 30 April 2027	RMB70,100
3	Technical services for cloud migration for three business units	Micro Video Company	30 July 2026 to 30 April 2027	RMB100,000
4	The FFT 2.0 cloud-enabled service	Micro Video Company	23 July 2026 to 30 April 2027	RMB63,000
5	Road network technology services	Tongxingbao Company	1 January 2026 to 30 April 2027	RMB5,000,000
6	Road network management services	Network Operation Company	1 January 2026 to 30 April 2027	RMB5,400,000

No.	**Transactions**	**Connected Persons**	**Period**	**Maximum contract caps**
7	Commuter shuttle service	Kuailu Company	1 June 2026 to 30 April 2027	RMB3,387,469
8	Installation of low-voltage cables for service area charging stations	Zhenyang Transportation Technology Company	From 20 July 2026 to 19 July 2027	RMB3,600,000
9	Water and electricity maintenance project for service areas	Zhenyang Transportation Technology Company	17 July 2026 to 16 July 2027	RMB385,050
10	Routine maintenance project	Xiandai R&B Company	4 June 2026 to 30 April 2027	RMB5,181,700
11	Comprehensive tunnel management and maintenance project	Xiandai R&B Company	4 February 2026 to 4 February 2027	RMB6,016,200
12	Taihu Tunnel and Mount Yaoxian Tunnel pavement construction and maintenance integration project and maintenance on CX-23 Section	Xiandai R&B Company	10 years since 28 December 2021	RMB 39,845,585.98
13	Cloud dispatch technology services	Tongxingbao Company	17 August 2026 to 30 April 2027	RMB318,300
14	SD-WAN technical services	Tongxingbao Company	30 July 2026 to 30 April 2027	RMB272,410
15	Cloud billing project	Tongxingbao Company	22 May 2026 to 30 April 2027	RMB243,400

No.	Transactions	Connected Persons	Period	Maximum contract caps
16	"Traffic Control Cloud" platform and cloud resource technology services	Digital Transportation Research Institute	8 July 2026 to 30 April 2027	RMB200,000
17	Maintenance of the service area information platform	Expressway Information Company	17 December 2025 to 16 December 2026	RMB27,600
18	Guarantee for the Target Company's debts	Jiangsu Communications Holding	From the Completion Date until such guarantee liabilities are assumed by the Company with the creditors' consent, or otherwise modified or released, the total guaranteed amount is approximately RMB4,716,325,000.	
19	Loan from Finance Company	Finance Company	The transaction shall be conducted pursuant to the Financial Services Agreement between the Company and the Finance Company	

The above transactions constitute related party transactions of the Company. Given the total amount of all the above related party transactions after the Completion (together with the same type of business provided to the Group) would not reach 0.5% of the absolute value of the Company's latest audited net assets, they do not trigger and are exempt from the related-party transaction disclosure requirements of the Shanghai Listing Rules.

For continuing connected transactions items no 1-12 mentioned above, the highest applicable ratios in respect of the estimated aggregate amounts (when aggregated with other continuing connected transactions of a similar nature and category within the Group) calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules are above 0.1% but below 5%. Therefore, pursuant to Rule 14A.76(2)(a) of the Hong Kong Listing Rules, they are only required to comply with the announcement requirement, but do not require approval by independent shareholders at a general meeting. The continuing connected transactions items no 1-12 mentioned above must also comply with the annual review requirements set out in Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

For continuing connected transactions items no 13-17 mentioned above, the applicable ratios in respect of the estimated aggregate amounts (when aggregated with other continuing connected transactions of a similar nature and category within the Group) calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules are all below 0.1%. Pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules, they are fully exempt from the disclosure requirements for continuing connected transactions and the requirement for independent shareholders' approval.

The continuing connected transactions items no 18-19 above relate to financial assistance received by the Suxichang South Expressway Company from Jiangsu Communications Holding and its associate (being connected persons of the Company). Such assistance is provided on normal commercial terms or better, and the Group will not provide any security over its assets in respect of such assistance. Pursuant to Rule 14A.90 of the Hong Kong Listing Rules, they are fully exempt from disclosure requirements for the continuing connected transaction.

INDEPENDENT FINANCIAL ADVISOR AND GENERAL MEETING

The Company (with the approval of the Independent Board Committee, comprising of all the independent non-executive directors of the Company) has appointed Somerley Capital Limited as the independent financial advisor to provide advice to the Independent Board Committee and the independent shareholders on the Acquisition. It is expected that a circular containing, among other things, details of the transactions and other information required by the Hong Kong Listing Rules will be despatched to the H shareholders within 15 business days after the publication of this announcement (i.e. on or before 18 September 2026).

WARNING

As the Acquisition is subject to the fulfilment of certain conditions precedent, the acquisition of 100% equity interests in Suxichang South Expressway Company may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Unless otherwise specified, all monetary amounts in this announcement are denominated in Renminbi.

Important Notes:

1. Name of investment target: 100% equity interests of Jiangsu Suxichang South Expressway Co., Ltd. (hereinafter referred to as the "**Suxichang South Expressway Company**" or "**Target Company**").

2. Transaction matter: On 27 August 2026, the Company (as the purchaser and transferee) entered into the Equity Transfer Agreement with Jiangsu Communications Holding Co., Ltd. (hereinafter referred to as "**Jiangsu Communications Holding**"), Wuxi Transportation Industry Group Co., Ltd. (hereinafter referred to as "**Wuxi Transportation**") and Changzhou Communications Holding Group Co., Ltd. (hereinafter referred to as "**Changzhou Communications Holding**", together with Jiangsu Communications Holding and Wuxi Transportation as the "**Transferor(s)**") (as vendors and transferors of their respective shareholdings of Target Equity) (hereinafter referred to as the "**Acquisition**"). Upon the completion of the Acquisition, the Company will hold 100% equity interest in Suxichang South Expressway Company.

3. Transaction amount: RMB7,341,430,000.

4. According to Article 6.3.3 of the Shanghai Listing Rules, as the counterparty of this transaction is Jiangsu Communications Holding (the controlling shareholder of the Company), a related party of the Company, the transaction constitutes a related party transaction. Pursuant to Articles 6.3.7 and 6.3.9 of the Shanghai Listing Rules, as the total amount of this transaction to the absolute value of the Company's latest audited net assets is higher than 5%, this transaction shall be submitted to the shareholders' meeting for approval, where Jiangsu Communications Holding (as a related shareholder) is required to abstain from voting.

5. Pursuant to Rule 14A.07(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**"), Jiangsu Communications Holding is a connected person of the Company. The Company's acquisition of 65% of the equity interest in Suxichang South Expressway Company held by Jiangsu Communications Holding pursuant to the Equity Transfer Agreement constitutes a connected transaction of the Company. Pursuant to Rule 14A.28(1) of the Hong Kong Listing Rules, at the time the Company entered into the Equity Transfer Agreement with Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding, Jiangsu Communications Holding still held the equity interest in the Suxichang South Expressway Company; therefore, the acquisition of 22.82% and 12.18% of the equity interests in the Suxichang South Expressway Company from Wuxi Transportation and Changzhou Communications Holding, respectively, constitutes a connected transaction of the Company. As the highest applicable percentage ratio calculated according to Rule 14.07 of the Hong Kong Listing Rules for the consideration together with the amount of Jiangsu Communications Holding's guarantees expected to be assumed by the Company pursuant to the Equity Transfer Agreement (aggregated pursuant to Rule 14.15(3) of the Hong Kong Listing Rules) exceeds 5% but does not exceed 25%, the Acquisition also constitutes a discloseable transaction of the Company. The Acquisition is subject to the announcement, circular and independent shareholders' approval requirements under Rules 14.33, 14A.35, 14A.36 and 14A.46 of the Hong Kong Listing Rules.

6. The related party transaction does not constitute a major asset reorganisation as stipulated in the Administrative Measures for Major Asset Restructuring of Listed Companies, nor does it involve the transfer of liabilities.

7. Implementation of the transaction requires further approval and other related procedures, including: (1) the approval by the independent shareholders at general meeting of the Company and (2) the Transferors having completed the necessary approval/filing procedures for the transfer of equity interest in compliance with the regulations of the relevant State-owned Assets Supervision and Administration Department and other competent/regulatory authorities.

8. Risk warning: There may be business development risks, policy risks and other related risks in the transaction. Investors are advised to pay attention to investment risks.

I. EQUITY TRANSFER AGREEMENT

On 26 January 2024, the Company intended to acquire by way of cash the 65% equity interest in Suxichang South Expressway Company held by Jiangsu Communications Holding. According to the valuation report issued by the asset valuation agency engaged by the vendor, as at 31 October 2023, the book value of the equity attributable to the owners of Suxichang South Expressway Company was RMB7,463,030,000, the total equity value of shareholders was RMB8,001,000,000, representing an appreciation of RMB537,970,000 over book net assets, an appreciation rate of 7.21%, and an appreciation of RMB44,800,000 over the original capital contribution of shareholders of RMB7,956,200,000. The corresponding valuation of the 65% equity interest was RMB5,200,650,000. On such basis, the parties entered into an equity transfer agreement. In April 2024, the project was approved by a shareholders meeting.

In July 2024, due to the significant delay of traffic control measures for the Yanjiang expressway expansion project, its impact on traffic volumes and asset valuation of the Suxichang South Expressway could not be accurately determined. Thus, the consideration of the target equity under the then equity transfer agreement (namely the 65% equity interest in the Suxichang South Expressway Company held by Jiangsu Communications Holding) failed to obtain approval/filing from the state-owned assets administration authority, and the conditions precedent of the then equity transfer agreement had not been satisfied. Consequently, the Company and Jiangsu Communications Holding mutually agreed to terminate the transaction, whilst retaining the possibility of resuming it in future. The equity acquisition project now meets the conditions for resumption. The satisfaction of the resuming conditions is set out in "VI. Reasons for and Benefits of this Acquisition" below.

On 27 August 2026, with a view to further expand its asset scale in the southern Jiangsu road network, optimize asset allocation, consolidate the foundation of its principal business, and improve the sustainability of its continual development, the Company (as the purchaser and transferee) entered into the Equity Transfer Agreement with Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding (as vendors and transferors of their respective shareholdings of Target Equity). Upon the completion of the Acquisition, the Company will hold 100% equity interest in Suxichang South Expressway Company. The main terms of the Equity Transfer Agreement are as follows:

(i) The Parties to the Agreement

1. Jiangsu Communications Holding (as the **Transferor 1**, the controlling shareholder of the Company)

2. Wuxi Transportation (as the **Transferor 2**)

3. Changzhou Communications Holding (as the **Transferor 3**)

4. The Company (as the **Transferee**)

5. Suxichang South Expressway Company (as the **Target Company**)

(ii) Target Equity

The Company intends to acquire 100 % of the equity interests in the Suxichang South Expressway Company, comprising:

1. The 65 % equity interest in the Suxichang South Expressway Company held by Jiangsu Communications Holding (as **Target Equity Interest 1**)

2. The 22.82 % equity interest in the Suxichang South Expressway Company held by Wuxi Transportation (as **Target Equity Interest 2**)

3. The 12.18% equity interest in the Suxichang South Expressway Company held by Changzhou Communications Holding (as **Target Equity Interest 3**)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ownership of the equity interests in Suxichang South Expressway Company held by Jiangsu Communications Holding, Wuxi Transportation, and Changzhou Communications Holding is clean and there are no mortgages, pledges, or any other restrictions on the transfer of such equity interests. There are no litigation, arbitration matters, or judicial measures such as seizures or freezes, nor are there any other circumstances that would hinder the transfer of such ownership.

(iii) Transfer Consideration

Target Equity Interest 1: RMB4,771,929,500

Target Equity Interest 2: RMB1,675,226,800

Target Equity Interest 3: RMB894,273,700

Total consideration for the Acquisition: RMB7,341,430,000

According to the requirements of the Measures for the Supervision and Administration of the Transaction on State-owned Assets of Enterprises, the Company, Jiangsu Communications Holding, Wuxi Transportation, and Changzhou Communications Holding adopted non-public agreement transfer method to execute the transfer of title of assets, and the consideration for the transfer shall not be lower than the valuation result approved by or filed with the State-owned Assets Supervision and Administration Department. Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding jointly appointed North Asia Assets Assessment Co., Ltd. (a valuation agency with corresponding qualifications) (hereinafter referred to as "**State-owned Asset Valuer**") to conduct an asset valuation of the Target Equity as of 31 December 2025 (hereinafter referred to as the "**Valuation Date**"). According to the asset valuation report entitled "The Asset Valuation Report on the Total Equity Value of Suxichang South Expressway Company in relation to the Proposed Transfer by Jiangsu Communications Holding Co., Ltd., Wuxi Transportation Industry Group Co., Ltd. and Changzhou Communications Holding Group Co., Ltd. of Their Respective 65%, 22.82% and 12.18% Equity Interests in the Company" (Reference number: North Asia Valuation Report [2026] No. 01-0890) issued by the State-owned Assets Valuer on 30 June 2026 (hereinafter referred to as the "**State-owned Asset Valuation Report**"), the appraised value of the Target Company is RMB7,341,430,000 based on the income approach, and its book value is RMB7,276,623,400. The premium of the appraised value over the book value is RMB64,806,600, representing an appreciation of approximately 0.89%.

Following consultations, the Company, Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding, have agreed that the transaction consideration for Target Equity Interest 1 is RMB4,771,929,500; the transaction consideration for Target Equity Interest 2 is RMB1,675,226,800; and the transaction consideration for Target Equity Interest 3 is RMB894,273,700.

The transfer consideration is calculated on a pro-rata basis based on the above-mentioned appraised value in the State-owned Asset Valuation Report, the final consideration is subject to the valuation filed with the State-owned Assets Supervision and Administration Department.

The determination of the consideration for the transfer of the Target Equity shall be based on the valuation results approved or filed with the State-owned Assets Supervision and Administration Department. If the aforementioned appraised value is approved or filed, the Transferee and Transferors shall adopt such appraised value as the consideration of the transfer of the Target Equity.

If the valuation results approved or filed differ from the aforementioned appraised value, the Transferee and the Transferors shall negotiate the consideration of the Target Equity based on the valuation results approved or filed. If the Transferee and any Transferor are unable to reach an agreement, the Transferee and any Transferor may terminate the transaction without assuming any liability to the counterparty for breach of contract.

(iv) Conditions Precedent for Completion of the Transfer of the Target Equity and Payment of the Consideration

Completion of the transfer of Target Equity is subject to the fulfilment (or waiver, as applicable) of the following conditions precedent:

1. The Equity Transfer Agreement shall come into effect upon fulfilment of the following conditions:

    (1) Each Transferor and Transferee has completed the internal decision-making procedures in accordance with the Company Law and their respective Articles of Association;

    (2) The legal representatives of the parties, or their authorised representatives, have signed the Agreement and affixed their official seals;

    (3) Each Transferor has completed the approval and filing procedures required for the equity transfer, in accordance with the regulations of the relevant state-owned asset regulatory authority and other competent/regulatory authorities;

    (4) The Company's general meeting (with Jiangsu Communications Holding and its associates abstaining from voting) has approved the Equity Transfer Agreement and the transaction.

2. Each Transferor and the Suxichang South Expressway Company shall issue to the Company a "Letter of Confirmation" as set out in Annex 1 to the Equity Transfer Agreement (in which each Transferor and the Target Company confirm that: the representations and warranties made in the Equity Transfer Agreement are true and accurate in all respects; all conditions precedent to the Equity Transfer Agreement have been satisfied; the undertakings and obligations relating to the Target Company, as set out in the Equity Transfer Agreement and required to be fulfilled prior to the completion of the Acquisition, have been performed and complied with; and there have been no material adverse changes in the Target Company), and shall provide relevant supporting documents; and

3. Each Transferor and the Suxichang South Expressway Company shall issue to the Company the "Declarations and Undertakings" as set out in Annex 2 to the Equity Transfer Agreement (the declarations being representations and warranties on the Target Company, whilst the undertakings are with respect to such representations and warranties until the Completion), and shall provide the relevant supporting documents.

The Company may, in writing, grant a waiver to the Transferors and to the Suxichang South Expressway Company in respect of the documents referred to in Conditions Precedent No. 2 and 3 above. As at the date of this announcement, conditions No. 1(1), 1(2), 2 and 3 have been fulfilled.

Payment of the Consideration is subject to the fulfilment (or waiver, as applicable) of the following conditions precedent:

1. All aforementioned conditions precedent to the completion of the transfer of Target Equity have been satisfied; and

2. All business licences and qualifications held by the Suxichang South Expressway Company are lawful and valid; there are no events, facts, conditions, changes or other circumstances that have arisen or are reasonably foreseeable to arise that would have, or are likely to have, a material adverse effect on the Target Company's assets (including, but not limited to, its asset structure and condition), liabilities, technology, finances, business, operating performance, profit prospects, legal status or normal course of business.

(v) Payment of the Consideration

The Consideration shall be paid in cash.

1. The consideration of RMB4,771,929,500 for equity transfer of Jiangsu Communications Holding shall be paid by the Company in instalments as follows:

   Pursuant to the Equity Transfer Agreement, the first instalment of the consideration (RMB2,385,964,750, representing fifty per cent of the total consideration for equity transfer of Jiangsu Communications Holding) shall be paid by the Company within five working days of the Completion of the transfer of 65 per cent equity interest in the Suxichang South Expressway Company held by Jiangsu Communications Holding and the fulfilment of aforementioned conditions precedent for payment of the consideration. The remaining consideration for the equity transfer (RMB2,385,964,750, representing fifty per cent of the total consideration for equity transfer of Jiangsu Communications Holding) shall be paid in full by the Company by 29 September 2027. Interest shall be calculated on the remaining equity transfer consideration. Interest shall accrue from the day following the expiry of the payment period for the first instalment of the equity transfer consideration until the date of actual payment of the remaining equity transfer consideration, calculated in accordance with the current one-year Loan Prime Rate (LPR) published by the National Interbank Funding Centre as authorised by the People's Bank of China. The equity transfer consideration and the corresponding interest shall be paid simultaneously.

2. The consideration of RMB1,675,226,800 for equity transfer of Wuxi Transportation shall be paid by the Company as follows:

   Pursuant to the Equity Transfer Agreement, the consideration of RMB1,675,226,800 shall be paid by the Company within five working days of the Completion of the transfer of 22.82 per cent equity interest in the Suxichang South Expressway Company held by Wuxi Transportation and the fulfilment of aforementioned conditions precedent for payment of the consideration. The Company shall make a lump-sum payment in full to Wuxi Transportation.

3. The consideration of RMB894,273,700 for equity transfer of Changzhou Communications Holding shall be paid by the Company as follows:

   Pursuant to the Equity Transfer Agreement, the consideration of RMB894,273,700 shall be paid by the Company within five working days of the Completion of the transfer of 12.18 per cent equity interest in the Suxichang South Expressway Company held by Changzhou Communications Holding and the fulfilment of aforementioned conditions precedent for payment of the consideration. The Company shall make a lump-sum payment in full to Changzhou Communications Holding.

   Pursuant to the Equity Transfer Agreement, should the Company fail to pay the aforementioned equity transfer consideration on time, default interest shall be calculated for the period from the date of default until the date on which the remaining equity transfer consideration is actually paid, at a rate equal to twice the current one-year Loan Prime Rate (LPR) published by the National Interbank Funding Centre as authorised by the People's Bank of China. If the Company has paid the equity transfer consideration to the respective Transferor but the subsequent transaction cannot be completed due to reasons attributable to the respective Transferor, the respective Transferor shall refund the amount already received and pay interest for the period during which the funds were tied up. The interest shall be determined in accordance with the current one-year Loan Prime Rate (LPR) published by the National Interbank Funding Centre as authorised by the People's Bank of China; the period during which the funds were tied up shall run from the date of Completion until the date on which the equity transfer consideration is actually refunded.

(vi) Completion

The Completion Date of the equity transfer shall be confirmed in writing within two days of the fulfilment of the aforementioned conditions precedent to completion. The parties shall use their best endeavours to fix the Completion Date within five days of the fulfilment of the conditions precedent to completion. The Company and each Transferor shall complete the transfer on the Completion Date.

(vii) Allocation of Profit and Loss during the Transition Period

The parties agree and confirm that the period from the Valuation Date to the Completion Date shall be the transition period. During the transition period, the Transferors shall obtain the written consent of the Transferee for any business management and fund receipt and payment activities conducted in relation to the Target Company, and shall not harm the interests of the Target Company or the Transferee.

During the transition period, except for circumstances that have been disclosed in writing to the Transferee prior to the execution of this agreement and circumstances that have been consented to in writing by the Transferee from the date of execution of this agreement to the completion of the closing, the Target Company shall not make any profit distribution or other distributions to its shareholders. If any distribution is made, each Transferor shall hold such distribution in custody on behalf of the Transferee and pay the same to the Transferee on the Completion Date.

As agreed and confirmed by the parties, any increase in the owners' equity of the Target Company during the transition period shall be enjoyed by the Transferee, and any decrease shall be made good by the Transferors in proportion to their respective original shareholding percentages in the Target Company.

(viii) Guarantee Obligations for the Assumption of Target Company's Debts

According to the Equity Transfer Agreement, from the agreement signing date until the Completion Date, the Target Company and each Transferor shall work together to ensure the orderly operation of the Target Company and shall not incur any new external obligations.

From the Completion Date, Transferor 1 (Jiangsu Communications Holding) shall continue to bear the guarantee obligations it has assumed regarding the debts of the Target Company. If such debts of the Target Company remain outstanding after 31 December 2026, then, subject to the creditors' consent, the Transferee shall assume the Transferor 1's guarantee obligations since 1 January 2027; alternatively, the Target Company, Transferor 1, and the Transferee may actively explore other feasible avenues to modify or release the Transferor 1 from such guarantee obligations through other means.

Subject to the creditors' consent (all being banks), the guarantor of 68 loans maturing after 31 December 2026 will be changed from Jiangsu Communications Holding to the Company. As of the date of this announcement, the total outstanding balance of the above 68 loans is RMB4,699,325,000, the current annual interest rate ranges from 2.15% to 2.7%, and the annual interest is approximately RMB111,994,100.

For details of the Company's assumption of guarantee obligations, please refer to "VIII. ARRANGEMENTS FOR ASSUMPTION OF GUARANTEE OBLIGATIONS" below.

(ix) Performance Compensation Undertakings

Pursuant to the Equity Transfer Agreement, Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding have undertaken to provide performance compensation to the Company. The performance undertaking period covers the year in which the transactions are completed (i.e. upon completion of the transfer of the Target Equity) and the two subsequent financial years, namely 2026, 2027 and 2028. Each financial year is defined as the full financial year commencing on 1 January of the relevant year.

Each Transferor undertakes that the cumulative committed net profit of the Suxichang South Expressway Company during the performance undertaking period shall not be less than RMB611,078,300. The specific amount of the cumulative committed net profit shall be determined based on the approved or filed valuation results; should the aforementioned cumulative committed net profit amount differ from the approved or filed valuation results, performance compensation shall be calculated based on the actual approved or filed results. Within 120 days of the expiry of the performance undertaking period, the Company shall engage an accounting firm to issue a special report on the variance between the Target Company's cumulative net profit realised during the performance undertaking period and the cumulative committed net profit. Should any of the following events occur at Suxichang South Expressway Company during the performance undertaking period, the Company is entitled to request the engaged accounting firm to adjust the realised net profit in the special report; the final realised net profit shall be as confirmed in the special report:

(1) Non-arm's length pricing: Where any commercial transactions between the Target Company and its related parties deviate from fair market value, any additionally generated revenue or the additionally incurred expenses shall be deducted from or added to net profit in accordance with the difference from fair market value;

(2) Assets impairment and provisions: Where the Target Company recognises significant credit impairment losses or provides for declines in the value of inventory, if verification confirms that an excessive provision has been made, net profit shall not be adjusted upwards in the special report; if verification confirms that the provision is insufficient, net profit shall be adjusted downwards in the special report;

(3) Abnormal cost increases due to changes in toll policies: In such circumstances, Transferor 1 shall bear the aforementioned abnormally increased costs and pay the equivalent amount directly to the Transferee; at the same time, where the Target Company's profits fall short of the performance undertakings figure as a result of losses arising from the increase in costs, each Transferor shall continue to pay performance compensation to the Transferee in accordance with the agreed proportions.

Upon expiry of the performance undertaking period, the parties shall calculate the amount of performance compensation in a single instalment, using the aforementioned special report as the basis for calculation.

Upon expiry of the performance undertaking period, if the Target Company's cumulative net profit realised during the performance undertaking period is less than 95% (excluding 95%) of the cumulative committed net profit for the performance undertaking period, each Transferor shall make compensation to the Company. The amounts of compensation shall be calculated using the following formula:

Amount to be compensated by Transferor 1 =
(Cumulative committed net profit as at the end of the period – Cumulative realised net profit as at the end of the period) × 65 %

Amount to be compensated by Transferor 2 =
(Cumulative committed net profit as at the end of the period – Cumulative realised net profit as at the end of the period) × 22.82%

Amount to be compensated by Transferor 3 =
(Cumulative committed net profit as at the end of the period – Cumulative realised net profit as at the end of the period) × 12.18%

If the cumulative net profit actually achieved by the Target Company during the performance undertaking period exceeds the cumulative committed net profit, the Company shall have no obligation to pay any additional bonus to the Transferors.

The total amount of performance compensation payable by each Transferor to the Transferee shall not exceed 100% of the total transaction consideration actually received by such Transferor from the Transferee.

Where the performance compensation obligations of the Transferors are triggered, each Transferor shall make the payment within ten (10) working days from the date on which the special report is issued following the expiration of the performance undertaking period and the Company's annual financial report is approved by the general meeting. Any Transferor that fails to complete the performance compensation payment within the aforementioned timeframe shall pay interest to the Company for the period of delay, calculated based on the current one-year Loan Prime Rate (LPR) published by the National Interbank Funding Centre as authorised by the People's Bank of China.

Should the Target Company fail to meet the undertakings, the Company will comply with the relevant disclosure requirements under Rule 14A.63 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**").

The committed net profit for the undertaking period has been adjusted downward compared with 2023, considering traffic volume and revenue estimates. The supporting grounds are set out below:

First, adjustments have been made to the traffic control scheme for the Yanjiang Expressway expansion and reconstruction project. The original plan involved half-carriageway closure for construction, but the plan has since been adjusted. While constraints on road traffic have eased, the volume of traffic expected to be diverted to the Changzhou-Wuxi Section of the Suxichang South Expressway (a dual six lane expressway of approximately 43.9 km in length, hereinafter referred to as "**Suxichang South Expressway**" or "**Target Expressway**") is lower than the initial estimate, and the phased traffic boost will be weaker than the assumption in the first-round forecast. In addition, the Yanjiang Expressway expansion and reconstruction project has brought forward the traffic opening date to the end of January 2027. It is estimated that most of the traffic diverted to Suxichang South Expressway during the expansion works will gradually shift back to the Yanjiang Expressway.

Second, the expansion and reconstruction project of the Huning Expressway was originally planned to commence in 2027–2028. Traffic control during the construction period was expected to deliver sustained traffic diversion benefits. However, the project commencement timeline has been postponed, and the anticipated incremental traffic contribution will not materialise throughout the three-year performance commitment period.

Third, new developments have emerged in the overall regional road network development landscape. Starting from 6 January 2024, the upgrading project for national highway G312 (the Henglin–Hutang East section in Changzhou) commenced the road closure with a three-year construction period. During the closure, part of the traffic volume was diverted to the Suxichang South Expressway. Upon completion of the G312 upgrading project for the Henglin–Hutang East section in early 2027, an estimated 90% of such diverted traffic is expected to flow back to national highway G312, dispersing traffic volume of the Target Expressway. Furthermore, the expansion and reconstruction project for the Dagang Interchange–Luoxi Interchange section of the Jiangyi Expressway (Changzhou section) is planned for 2027–2030, entering a "2+2" two-way traffic retention construction phase in 2028. Traffic capacity on the Jiangyi Expressway will be constrained during the construction, and traffic originally travelling via the Jiangyi Expressway to the Suxichang South Expressway is projected to decline by 10%.

Considering aforementioned multiple factors – such as adjustments to traffic control measures under the construction organisation plan, and evolution of road network structure – the current estimates of traffic volume and operating revenue for the undertaking period are generally lower than the estimates prepared in 2023. Nevertheless, the Target Expressway is located in the heart of Suzhou-Wuxi-Changzhou economically developed region, underpinned by stable rigid demand for passenger and freight traffic, which provides solid support for its medium-to-long-term operation.

(x) Dispute Resolution

All disputes arising out of the implementation of or related to the Equity Transfer Agreement shall be settled through friendly negotiation by all parties to the agreement. If any dispute cannot be resolved through negotiation within thirty (30) working days after the dispute arises, any party has the right to initiate proceedings with the People's Court where the Company is located.

(xi) Termination of the Equity Transfer Agreement

The Equity Transfer Agreement may be terminated in any of the following circumstances:

(1) The Equity Transfer Agreement is terminated early by unanimous written consent of the parties;

(2) If any representation or warranty made by a party under the Equity Transfer Agreement is untrue, inaccurate or incomplete, or if such party fails to fulfil its covenants, undertakings or obligations as set out in the Equity Transfer Agreement, and, after receiving a written demand from another party, fails to take effective remedial measures within 10 working days to prevent further loss, and such other party reasonably and in good faith believes that the foregoing failure may cause the purpose of this agreement to be frustrated, the other party shall have the right to unilaterally terminate this agreement by written notice;

(3) If any competent government authority or regulatory body issues a notice or otherwise prevents the completion of the transfer of equity; or

(4) The Equity Transfer Agreement must be terminated in the event of a force majeure event.

II. STATE-OWNED ASSET VALUATION REPORT

According to the requirements of the Measures for the Supervision and Administration of the Transaction on State-owned Assets of Enterprises, the Company, Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding proposed to adopt non-public agreement transfer method to execute the transfer of title of assets, and the consideration for the transfer shall not be lower than the valuation result approved by or filed with the State-owned Assets Supervision and Administration Department. Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding jointly appointed the State-owned Asset Valuer to conduct an asset valuation of the Target Equity as of the Valuation Date. According to the State-owned Asset Valuation Report, the appraised value of the Target Company is RMB7,341,430,000 based on the income approach, and its book value is RMB7,276,623,400. The premium of the appraised value over the book value of the Target Company is RMB64,806,600, representing an appreciation of approximately 0.89%.

1. Valuation object and scope: The valuation object is the total equity value of all shareholders of Jiangsu Suxichang South Expressway Co., Ltd. The valuation scope covers all assets and liabilities of Jiangsu Suxichang South Expressway Co., Ltd.

2. Valuation Date: 31 December 2025

3. Value type: Market Value.

4. Valuation methods: This valuation adopted the income approach and market approach for valuation, and selected the results determined by the income approach as the final valuation conclusion.

5. Valuation Conclusion

(1) Valuation conclusion for this transaction

Under the going concern assumption, the total equity value of all shareholders of Jiangsu Suxichang South Expressway Co., Ltd. as of the Valuation Date was appraised at RMB7,341,430,000 (RMB seven billion three hundred and forty one million four hundred and thirty thousands).

This transaction adopts the income approach results from the State-owned Asset Valuation Report with a Valuation Date of 31 December 2025. The appraised value of the Target Company is RMB7,341,430,000, the book value is RMB7,276,623,400. The premium over book value is RMB64,806,600, an appreciation of approximately 0.89%.

Following consultations, the Company, Jiangsu Communications Holding, Wuxi Transportation and Changzhou Communications Holding have agreed: The consideration of the Target Equity Interest 1 is RMB4,771,929,500; the consideration of the Target Equity Interest 2 is RMB1,675,226,800; the consideration of the Target Equity Interest 3 is RMB894,273,700.

The transfer consideration is calculated on a pro-rata basis based on the appraised value in the State-owned Asset Valuation Report, the final consideration is subject to the valuation filed with the State-owned Assets Supervision and Administration Department. The determination of the consideration for the transfer of the Target Equity shall be based on the valuation results approved or filed with the State-owned Assets Supervision and Administration Department. If the aforementioned appraised value is approved or filed, the Transferee and Transferors shall adopt such appraised value as the consideration of the transfer of the Target Equity.

(2) Valuation by offshore valuation institution commissioned by the Company

The Company simultaneously appointed Kroll Consulting (Shenzhen) Ltd., Beijing Branch (hereinafter referred to as "**Valuation Consultant**") to assess the value of the Target Equity in accordance with international valuation standards and requirements (hereinafter referred to as the "**Valuation Report**"). The Valuation Consultant's preliminary assessment of the market value of the Target Company as of the Valuation Date (31 December 2025) is RMB7,360,000,000, which is slightly higher than the appraised value in the State-owned Asset Valuation Report. The Valuation Report will be set out in the circular to be despatched to H shareholders.

(3) Comparison with previous round of acquisition valuation

At the first round of acquisition, the appraised value of Suxichang South Expressway Company's assets was RMB8,001,000,000, representing a premium of RMB537,970,000 over book net assets, an appreciation rate of 7.21%. However, after two years of losses and the shortening of the toll operating period of the Suxichang South Expressway, the asset value has declined. Considering the actual materialisation of road network diversion effects, the shortened operating period and changes in the objective road network environment, and based on current actual operating data and the latest road network forecasting model, the appraised value in this round has been reasonably adjusted downward compared with the previous valuation, representing a decrease of approximately 8.24% from the first-round valuation.

6. Material Valuation Assumptions and Parameters

(A) Basic Assumptions

1. Ongoing Concern Assumption: The ongoing concern assumption is based on the premise that the business operations of the entity owning the assets are lawful, and that no unforeseeable factors which would prevent it from continuing as a going concern will arise; furthermore, it assumes that the current use of the assets being valued will remain unchanged and that they will continue to be used at their current locations;

2. Transaction Assumption: The transaction assumption is based on the premise that all assets to be valued are already in the process of being traded, and that the valuer conducts the valuation by simulating the market based on the terms of the transaction for the assets. The transaction assumption is one of the most fundamental premises upon which the valuation is based;

3. Open Market Assumption: The open market assumption presumes that assets being traded on the market, or intended to be traded on the market, are transacted between parties of equal standing, each of whom has the opportunity and time to obtain sufficient market information to make rational judgements regarding the asset's function, use and transaction price. The open market assumption is based on the premise that assets can be openly bought and sold on the market;

4. Assumption of Use in Current Condition: The assumption of use in current condition is a presumption regarding the market conditions into which the asset is intended to enter and the state of the asset's use under such market conditions. Firstly, it is assumed that the asset within the scope of the valuation is currently in use; secondly, it is assumed that it will continue to be used in its current form and manner, without considering a change of use or conditions for optimal utilisation.

(B) General Assumptions

1. It is assumed that there will be no material changes in the country's macroeconomic conditions or in the relevant laws, regulations and policies currently in force; nor will there be any material changes in the political, economic and social environment of the regions in which the parties to this transaction are situated;

2. Based on the actual condition of the assets as at the Valuation Date, it is assumed that the enterprise will continue as a going concern;

3. It is assumed that the company's operator is responsible and that the company's management is competent to perform their duties;

4. It is assumed that the industry in which the subject entity operates will maintain a stable growth trend, and that there will be no material changes to industry policies, management systems or relevant regulations;

5. Unless otherwise stated, it is assumed that the company is in full compliance with all relevant laws and regulations;

6. It is assumed that the accounting policies to be adopted by the company in the future will be substantially consistent in all material respects with those applied in the preparation of this report;

7. It is assumed that, based on the existing management approach and management standards, the scope, methods and direction of the company's operations will remain consistent with the current situation;

8. It is assumed that there will be no material changes in interest rates, exchange rates, tax bases and tax rates, or policy-related levies;

9. It is assumed that no other force majeure events or unforeseeable factors will have a material adverse effect on the enterprise;

10. It is assumed that, after the Valuation Date, the cash inflows and cash outflows of the entity being valued occur evenly over time;

11. During the foreseeable operating period, no account has been taken of non-recurring gains or losses that may arise from the operation of assets, including but not limited to the following items: gains or losses on the disposal of fixed assets, construction in progress and intangible assets, as well as other non-operating income and expenditure;

12. It is assumed that any major investments or investment plans involved in the valuation process will be completed on schedule and brought into operation;

13. It is assumed that, upon expiry of the subject entity's expressway toll collection period, all relevant assets, including the expressway and ancillary facilities, will be transferred to the State free of charge;

14. It is assumed that the toll operating rights for the expressway section will not be extended upon expiry;

15. It is assumed that, during the remaining operating period, tolls will be maintained at the current rates and will not change;

16. It is assumed that the entity under valuation will raise and repay loans in accordance with its existing borrowing and repayment plans;

17. It is assumed that the forecasts regarding traffic volume and toll revenue set out in the "Forecast of Traffic Volume, Toll Revenue and Operational Maintenance Costs for the Suxichang South Expressway" will not differ materially from actual future operating conditions.

(C) Special Assumptions

1. This valuation is based on the specific valuation objectives set out in the Valuation Report;

2. All assets subject to this valuation are based on their actual stock as at the Valuation Date, and the current market value of the relevant assets is based on valid domestic prices as at the Valuation Date;

3. It is assumed that the processes of purchasing, acquiring and constructing the assets involved in the subject matter of the valuation comply with the relevant national laws and regulations;

4. This valuation assumes that the relevant materials provided by the principal and the subject entity–including general information on business operations, property rights documentation, policy documents, basic data and financial records–are true, complete, lawful and valid;

5. The scope of the valuation is limited to the valuation declaration form provided by the principal and the subject entity; contingent assets and liabilities that may exist but are not included in the list provided by the principal and the subject entity have not been taken into account;

6. It is assumed that, during the future operating period, the scope and methods of the enterprise's operations will not undergo significant changes; its core business structure, revenue and cost composition, as well as future sales strategies and cost control measures, will continue in line with the status of recent years without major alterations. The management's operational plans are expected to be realised as scheduled;

7. This valuation has not taken into account the impact on the valuation conclusions of any future mortgages or guarantees that the subject entity and its assets may be subject to, nor any additional costs that may arise from special transaction arrangements;

8. The Valuer has not carried out technical inspections of the technical parameters and performance of the various items of equipment as at the Valuation Date. The Valuer has formed judgements based on on-site inspections, assuming that the relevant technical documentation and operational records provided by the subject entity are accurate and valid;

9. The Valuer's on-site inspection of the subject entity was limited to its external appearance and condition of use; no tests were carried out on its internal quality, such as its structural integrity. Hence, it is not possible to determine whether any internal defects exist. This report is based on the assumption that the internal quality of the subject entity complies with relevant national standards and is sufficient to maintain its normal use.

The State-owned Assets Evaluation Report made reference to the "Forecast of Traffic Volume, Toll Revenue and Operation and Maintenance Costs of the Suxichang South Expressway (蘇錫常南部高速公路交通量、通行費收入及運營養護成本預測)" issued by Jiangsu Weixin Engineering Consulting Company Limited (江蘇緯信工程諮詢有限公司), the material assumptions of the traffic volume forecast are set out below:

1. Considering factors such as the historical annual regional gross domestic product (GDP) growth and the elasticity coefficients for passenger vehicles (the coefficient that shows the correlation between traffic volume growth and economic growth). Based on the economic planning and development trends of Jiangsu and its surrounding areas, the GDP growth has generally remained stable with a slight decline. Similarly, as the stage of economic development changes, the predicted values of the elasticity coefficients for passenger vehicles and trucks in relevant areas has decreased in the forecast period. The two reasons above are the factors causing a decline of the overall traffic growth rate of the regional road network.

2. This forecast also includes road capacity analysis. The calculation of the capacity is mainly based on the Technical Standard for Highway Engineering Works (公路工程技術標準) (JTGB01-2014) issued by the Ministry of Transport of China in 2014, which divides the levels of service of roads into Levels I, II, III, IV, V and VI. It is estimated that the daily capacity of the Suxichang South Expressway is about 150,000 pcu/d.

3. This evaluation includes a forecast on the changes on the types of vehicles. From the experience of the development of types of vehicles on highways in Jiangsu Province and around the country, the growth rate of passenger vehicles is generally higher than that of trucks, resulting in a growing proportion of passenger vehicles on the road network.

In addition, in recent years, as traffic congestion in cities roads in southern Jiangsu Province has been worsening, and the increasing residents' income makes the expressway toll no longer a major obstacle, expressways have gradually become one of the choices for regional transportation, with a significant increase in Class I passenger vehicles (i.e. passenger vehicles of less than 9 seats) for short trips; on the other hand, with the accelerated construction of the national high-speed railroads and the local intercity railroads in this region, the intercity transportation function of large passenger vehicles (i.e. those with more than 30 seats) has gradually weakened. Therefore, the proportion of Class I passenger vehicles among all other passenger vehicle models will also increase at the same time.

As for trucks, the per weight unit transportation costs of larger trucks is lower, thanks to cost reductions and efficiency gains achieved through economies of scale, the development of larger trucks (six-axle) has gained momentum. On the other hand, smaller trucks (two-axle) exhibit good maneuverability and are well-suited to the flexibility and personalization of current pace of economic development. The growth of express delivery services also plays a significant role in promoting the development of smaller trucks. Therefore, for the proportion of the type of trucks in the future, it is anticipated that there will be a growth in smaller trucks and larger trucks whereas there will be a decline in the mid-sized trucks.

4. In this analysis, traffic assignment in road network is conducted using the traffic impedance function. The traffic impedance function reflects the factors that drivers consider when choosing a route, including the actual travel time, the length of the route, and the toll fees. The significance of these factors is captured by using weighted coefficients. The travel time and route length are converted into tolls through the value of time and the cost of vehicle operation. The parameters in the relevant analysis model are calculated based on the historical data of Suxichang South Expressway Company, the experience of the Company in similar projects and the figures widely used in domestic applications.

5. Regarding the toll period, it is assumed in the forecast that all highways will maintain their existing toll status during the forecast period.

6. The toll rates are assumed as follows in this assessment:

   (1) For expressways that have already been completed and put into operation, the toll rates approved will remain unchanged.

   (2) For the expressways that are expected to be completed and put into operation before 2025: for the reconstruction and expansion projects and new bridge and tunnel projects, reference is made to the "Pricing Mechanism for Expressway Tolls in Jiangsu Province" (江蘇省高速公路收費定價機制) jointly issued by the Department of Transportation, the Development and Reform Commission and the Department of Finance of Jiangsu Province in 2021; and for other newly built general projects, the basic rates for passengers vehicles and trucks will be RMB0.55 and RMB0.45/km, respectively.

(3) For expressways that are expected to be completed and put into operation before 2030: After the completion of reconstruction and expansion projects of Xitai Expressway and Yanjiang Expressway which are related to Suxichang South Expressway, the toll rates for both passenger vehicles and trucks are expected to increase to RMB0.65 and RMB0.55/km, respectively, due to the increased construction costs. For other projects that will be completed and put into operation before the end of 2030 with less association with the Suxichang South Expressway, there are less visibility on the construction costs, it is assumed that the basic toll rates will be applied as per point (2) above.

(4) Other expressway projects: for expressway projects to be completed and opened to traffic after 2030, after the completion of the expansion projects of Shanghai-Nanjing Expressway (which is related to Suxichang South Expressway), the construction cost will be further increased, and the average level of toll rates is expected to be increased accordingly and it is assumed that the basic rate for passenger vehicles will be raised to RMB0.75/km, and the basic rate for trucks will be RMB0.55/km. For other projects that will be completed and put into operation before the end of 2030 with less association with the Suxichang South Expressway, there are less visibility on the construction costs construction costs, it is assumed that the basic toll rates will be applied as per point (2) above.

Due to the increase in toll rates of the expressways in parallel, it is expected that the traffic sharing ratio of Suxichang South Expressway in the road network will be slightly increased compared with the current situation.

7. On 29 December 2021, the Wuxi Municipal Government entered into an agreement for government procurement of services relating to the Southern Expressway, stipulating that for Wuxi-registered non-commercial passenger vehicles equipped with ETC kits and with an approved seating capacity of nine or fewer, when travelling on the section of the S58 Shanghai–Changzhou Expressway between the Huazhuang, Nanquan and Junzhang interchanges and the Mashan interchange, the preferential rate for the Taihu Tunnel would be RMB15 per journey, with the preferential period lasting until 31 December 2023. In 2024, Wuxi City renewed the service procurement agreement with Jiangsu Communications Holding, and the preferential rate for the Taihu Tunnel was adjusted from RMB15 per journey to RMB10 per journey, with the preferential period extending until 29 December 2027. The forecast report assumes that subsequent differentiated policies will continue to follow the scheme renewed in 2024, and does not currently take into account any expanded schemes that may be introduced at a later stage.

8. According to the "Jiangsu Provincial Highway Network Plan (2021–2035)" approved and issued by Government of Jiangsu Province in 2023, in the future, Jiangsu Province plans to form a highway network layout of "fifteen radiations, seven north-south and ten east-west routes" and 22 expressway river-crossing tunnel, with a total mileage of approximately 7,815 kilometers. During the process of conducting the forecast, the latest information of some projects pending-construction and some projects under construction were also collected (such as Yanjiang Expressway, Xitai Expressway, Shanghai-Nanjing Expressway, and Hangzhou-Nanjing Expressway etc.). Based on the analysis of the road network functionality and location conditions, it is determined that the improvement and expansion projects of the Yanjiang Expressway and Shanghai-Nanjing Expressway will have the most significant impact on the traffic flow of the Suxichang South Expressway Company.

9. According to the Wuxi City Territorial Spatial Master Plan (2021–2035), the local expressways that will have a greater impact on the Suxichang South Expressway are the west extension of the Juqu Road (具區路西延) and the Suxi-Taihu Tunnel (蘇錫太湖通道) which are currently under planning.

The west extension of Juqu Road is a cross-Taihu expressway planned to run in parallel to the Suxichang South Expressway, crossing Meiliang Lake (梅梁湖) and connecting to the Yima Tunnel (宜馬通道), with the route direction basically consistent with the Suxichang South Expressway, which is expected to divert the partial local traffic in Wuxi serviced by the Suxichang South Expressway upon its completion.

The Suxi-Taihu Tunnel is an intercity expressway constructed by Wuxi and Suzhou in the form of local municipal roads after the second phase of the Suxichang South Expressway planning was canceled. The Suxi-Taihu Tunnel begins at the intersection of Suzhou Taihu Avenue (蘇州太湖大道) and Gongshan Road (貢山路) and ends at the north side of Nanquan Junction of Lihu Avenue (蠡湖大道南泉樞紐) in Wuxi. Upon completion, the project will be connected head-to-tail with the Suxichang South Expressway, and will become a crucial highspeed intercity road within Suzhou, Wuxi and Changzhou. It is expected that the completion of the project will bring about a significant increase in the traffic volume to the Suxichang South Expressway, especially attracting vehicles from the southern part of Suzhou going to Changzhou and Wuxi.

Currently, the Suzhou–Wuxi Taihu Lake Tunnel is at the preliminary research stage, whilst the westward extension of Juqu Road has not yet entered the preliminary research phase; the construction timetable for both projects has not yet been finalised. In the consultation, both roads are provisionally assumed to be completed and opened to traffic in December 2036.

State-owned Asset Valuer confirms that during the period from the Valuation Date to the date of this announcement, there have been no significant event that could have a material impact on the valuation results.

The table below shows the future financial projections of the target company in the State-owned Asset Valuation Report:

RMB

Items	2026	2027	2028	2029	2030	2031	2032
Operating Income	83,590.40	83,471.78	98,655.73	131,821.17	162,846.11	172,209.46	162,031.44
Operating Expenses	50,462.78	51,675.55	57,214.63	69,123.77	80,301.96	75,561.97	71,549.70
Tax and VAT	276.86	276.85	278.85	283.22	287.31	288.55	287.2
Management Fee	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Financial Expenses	15,381.55	14,866.55	14,037.87	11,867.76	10,013.02	9,204.33	9,204.33
Operating Profits	17,423.02	16,606.63	27,078.18	50,500.22	72,197.61	87,108.42	80,944.01
Gross Profits	17,423.02	16,606.63	27,078.18	50,500.22	72,197.61	87,108.42	80,944.01
Profit Tax				10,543.43	18,049.40	21,777.11	20,236.00
Net Profits	17,423.02	16,606.63	27,078.18	39,956.79	54,148.21	65,331.32	60,708.01
Add: Interest expenses after tax	11,536.16	11,149.91	10,528.41	8,900.82	7,509.77	6,903.25	6,903.25
Add: Depreciation and Amortisation	39,113.86	39,996.34	45,117.98	56,462.52	67,083.85	61,944.98	57,675.22
Less: Capital expenses	98.62	4,800.65	4,944.67	5,093.01	5,245.80	5,403.17	5,565.27
Increase (decrease) in operating capital	-29,122.56	-131.65	-13.68	807.33	572.32	1,043.06	-93.1
Forecast of operating capital at the end of the period							
Forecast of residual value of assets at the end of the period							
Net cash flow	97,096.98	63,083.89	77,793.57	99,419.80	122,923.71	127,733.32	119,814.30
Discount year	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Discount %	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Discount Factor	0.9666	0.9031	0.8438	0.7884	0.7366	0.6882	0.643
Net Cash Flow Present Value	93,854.40	56,972.50	65,642.99	78,381.83	90,547.40	87,910.83	77,045.05
Total present value of net cash flows for the forecast period							
Add: Va lue of non-operating assets, liabilities and surplus assets							
Overall corporate value							
Less: Interest-bearing debt							
Fair market value of shareholders' equity (rounded)							

(Continued from above table)

Items	2033	2034	2035	2036	2037	2038	2039
Operating Income	168,927.67	175,788.99	182,405.35	188,350.16	201,914.27	207,200.48	212,321.65
Operating Expenses	74,975.65	78,265.53	81,499.13	130,299.67	89,624.47	91,988.94	94,319.64
Tax and VAT	288.11	289.02	289.89	290.67	292.46	293.16	293.83
Management Fee	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Financial Expenses	9,204.33	8,844.33	7,824.84	6,412.05	5,658.76	4,504.64	3,287.52
Operating Profits	84,413.38	88,343.91	92,745.29	51,301.56	106,292.39	110,367.54	114,374.45
Gross Profits	84,413.38	88,343.91	92,745.29	51,301.56	106,292.39	110,367.54	114,374.45
Profit Tax	21,103.34	22,085.98	23,186.32	12,825.39	26,573.10	27,591.89	28,593.61
Net Profits	63,310.03	66,257.93	69,558.97	38,476.17	79,719.29	82,775.66	85,780.84
Add: Interest expenses after tax	6,903.25	6,633.25	5,868.63	4,809.04	4,244.07	3,378.48	2,465.64
Add: Depreciation and Amortisation	60,702.48	63,584.12	66,401.25	68,814.43	73,613.73	75,539.86	77,422.14
Less: Capital expenses	5,732.23	5,904.19	6,081.32	6,263.76	6,451.67	6,645.22	6,844.58
Increase (decrease) in operating capital	30.72	22.48	-25.38	-1,417.85	1,528.88	-7.89	-16.39
Forecast of operating capital at the end of the period							
Forecast of residual value of assets at the end of the period							
Net cashflow	125,152.81	130,548.63	135,772.90	107,253.73	149,596.54	155,056.66	158,840.43
Discount year	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Discount %	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Discount Factor	0.6008	0.5613	0.5245	0.49	0.4579	0.4278	0.3997
Net Cash Flow Present Value	75,192.50	73,283.15	71,210.29	52,558.13	68,493.11	66,330.56	63,486.61
Total present value of net cash flows for the forecast period							
Add: Value of non-operating assets, liabilities and surplus assets							
Overall corporate value							
Less: Interest-bearing debt							
Fair market value of shareholders' equity (rounded)							

(Continued from above table)

Items	2040	2041	2042	2043	2044	2045	2046	2046
Operating Income	217,462.21	220,828.63	224,612.67	228,085.93	231,585.14	233,214.00	233,607.42	
Operating Expenses	96,495.63	98,476.17	100,420.13	102,279.08	103,960.23	105,442.90	106,772.06	
Tax and VAT	294.51	294.95	295.45	295.91	296.37	296.59	296.64	
Management Fee	46.2	46.2	46.2	46.2	46.2	46.2	46.2	
Financial Expenses	1,928.52	316.26	–	–	–	–	–	
Operating Profits	118,697.35	121,695.04	123,850.89	125,464.73	127,282.34	127,428.31	126,492.51	
Gross Profits	118,697.35	121,695.04	123,850.89	125,464.73	127,282.34	127,428.31	126,492.51	
Profit Tax	29,674.34	30,423.76	30,962.72	31,366.18	31,820.58	31,857.08	31,623.13	
Net Profits	89,023.01	91,271.28	92,888.17	94,098.55	95,461.75	95,571.23	94,869.39	
Add: Interest expenses after tax	1,446.39	237.2						
Add: Depreciation and Amortisation	79,137.89	80,659.86	82,129.66	83,504.14	84,687.51	85,673.37	86,501.37	
Less: Capital expenses	7,049.92	7,261.41	7,479.25	7,703.63	7,934.74	8,172.78	8,417.97	
Increase (decrease) in operating capital	-5.66	-98.68	11.11	23.99	46.69	-35.47	-86.79	
Forecast of operating capital at the end of the period								2,675.11
Forecast of residual value of assets at the end of the period								0
Net cashflow	162,563.04	165,005.60	167,527.45	169,875.06	172,167.83	173,107.29	173,039.58	2,675.11
Discount year	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Discount %	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Discount Factor	0.3734	0.3489	0.326	0.3046	0.2846	0.2659	0.2485	0.2402
Net Cash Flow Present Value	60,707.27	57,572.55	54,613.58	51,741.87	48,996.20	46,028.16	42,992.43	642.51
Total present value of net cash flows for the forecast period								1,384,203.90
Add: Value of non-operating assets, liabilities and surplus assets								-17,132.09
Overall corporate value								1,367,071.81
Less: Interest-bearing debt								632,928.86
Fair market value of shareholders' equity (rounded)								734,143.00

III. BASIC INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

(i) The Company

The Company is principally engaged in construction, management, maintenance and collection of tolls ofroads and expressways in Jiangsu Province, as well as related ancillary services. The controlling shareholder of the Company is Jiangsu Communications Holding.

(ii) Jiangsu Communications Holding

The basic information of Jiangsu Communications Holding Co., Ltd. is as follows:

Registered office:	No. 291 Zhongshan East Road, Nanjing
Unified social credit identifier:	91320000134767063W
Date of establishment:	5 March 1993
Business nature:	Limited liability company (Wholly state-owned) (1)
Legal representative:	Wang Xianzheng
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 expressway tolls; and industry investment and domestic trading services.
Total assets at the end of the latest accounting period (2025) (2):	RMB989,912,066,830
Net assets at the end of the latest accounting period (2025) (2):	RMB389,207,669,230

Revenue from core business for the latest accounting period (2025) (2): RMB105,004,587,850

Net profit for the latest accounting period (2025) (2): RMB16,541,742,430

(1) The ultimate owner of Jiangsu Communications Holding is the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangsu Province

(2) Jiangsu Communications Holding's financial statements for the year 2025 were audited by Zhongxinghua Certified Public Accountants LLP in accordance with the Accounting Standards for Business Enterprises of the PRC.

Jiangsu Communications Holding is the controlling shareholder of the Company, as at the date of this announcement, controls or is entitled to control approximately 57.85% of the Company's equity. Save as set out in the published announcements of the Company, there is no other relationship between Jiangsu Communications Holding and its subsidiaries and the Company and its subsidiaries, whether in terms of property rights, business, assets, personnel or otherwise.

(iii) Wuxi Transportation

The basic information of Wuxi Transportation Industry Group Co., Ltd. is as follows:

Registered office:	No. 109 Renmin West Road, Wuxi
Unified social credit identifier:	913202007333041919
Date of establishment:	December 7, 2001
Business nature:	Limited Liability Company
Legal representative:	Xu Qingkai
Registered capital:	RMB5,745,460,000

Principal business:	Entrusted operation and management of municipal transportation state-owned assets; revenue management and operation of state-owned assets; entrusted management of municipal transportation collective assets; investment in transportation and related industries; investment in transportation infrastructure construction and asset operation and management; domestic trade; asset leasing; real estate development and operation. (For projects subject to approval by law, business activities may only be carried out after approval by the relevant authorities.) General projects: engineering management services (except for projects requiring approval in accordance with the law, business activities may be carried out independently in accordance with the business licence).
Total assets at the end of the latest accounting period (2025) (2):	RMB88,260,017,000
Net assets at the end of the latest accounting period (2025) (2):	RMB24,699,930,000
Revenue from operations for the latest accounting period (2025) (2):	RMB23,075,692,000
Net profit for the latest accounting period (2025) (2):	RMB230,333,000

(1) The ultimate beneficial owner of Wuxi Transportation is the People's Government of Wuxi. To the best of the knowledge, information, and belief of the directors of the Company, having made all reasonable enquiries, Wuxi Transportation and its ultimate beneficial owner are all independent third parties of the Company.

(2) Wuxi Transportation's financial statements for the year 2025 were audited by Tianheng Certified Public Accountants (LLP) in accordance with the Accounting Standards for Business Enterprises of the PRC.

(iv) Changzhou Communications Holding

The basic information of Changzhou Communications Holding Group Co., Ltd. (formerly known as Changzhou Expressway Investment Development Co., Ltd.) is as follows:

Registered office:	Room 801, Building 1, No. 1259 Longjin Road, Changzhou
Unified social credit identifier:	913204117265689141
Date of establishment:	January 21, 2001
Business nature:	Limited Liability Company
Legal representative:	Xu Xiaozhong
Registered capital:	RMB1,000,000,000
Principal business:	Licensed projects: Construction engineering; highway management and maintenance; port operation (for projects subject to approval by law, business activities may only be carried out after approval by the relevant authorities; specific business items shall be subject to the approval results).

General projects: enterprise management; engineering management services; investment activities with self-owned funds; asset management services with self-owned funds; transportation facility maintenance; land remediation services; property management; parking services; leasing of non-residential real estate; leasing of land use rights; leasing services (excluding licensing-type leasing services); general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing and approval); engineering technical services (excluding planning management, survey, design, and supervision); information consulting services (excluding licensing-type information consulting services); information technology consulting services; social and economic consulting services; domestic cargo transportation agency; road freight transportation station operation; domestic container cargo transportation agency; sales of textile and knit products; sales of textiles and raw materials; sales of chemical products (excluding licensing-type chemical products); sales of metal materials; sales of non-ferrous metal alloys (except for projects requiring approval in accordance with the law, business activities may be carried out independently in accordance with the business licence).

Total assets at the end of the latest accounting period (2025) (2):	RMB86,992,070,000
Net assets at the end of the latest accounting period (2025) (2):	RMB33,181,804,000
Revenue from operations for the latest accounting period (2025) (2):	RMB2,580,088,000
Net profit for the latest accounting period (2025) (2):	RMB236,366,000

(1) The ultimate beneficial owner of Changzhou Communications Holding is the State-owned Assets Supervision and Administration Commission of Changzhou Municipal People's Government. To the best of the knowledge, information, and belief of the directors of the Company, having made all reasonable enquiries, Changzhou Communications Holding and its ultimate beneficial owner are all independent third parties of the Company.

(2) Changzhou Communications Holding's financial statements for the year 2025 were audited by Suya Jincheng Certified Public Accountants (LLP) in accordance with the Accounting Standards for Business Enterprises of the PRC.

(v) Suxichang South Expressway Company (Target Company)

The basic information of Jiangsu Suxichang South Expressway Co., Ltd. is as follows:

Registered office:	No. 291 East Zhongshan Road, Xuanwu District, Nanjing
Unified social credit identifier:	91320000MA1NJPQ74F
Date of establishment:	14 March 2017
Business nature:	Limited Liability Company
Legal representative:	Wang Feng
Registered capital:	RMB7,956,200,000
Principal business:	Construction, management, operation and maintenance of the Suxichang South Expressway

Since the establishment of the Target Company, Jiangsu Communications Holding, Wuxi Transportation, and Changzhou Communications Holding have subscribed for the Target Company's capital in the amounts of RMB5,171,530,000, RMB1,815,510,000, and RMB969,160,000, respectively, all of which have been fully paid up (together as "**Target Equity**"). As at the date of this announcement, the shareholders of Suxichang South Expressway Company are as follows:

Shareholders	Registered Capital *RMB*	Equity Interests *%*
Jiangsu Communications Holding Co., Ltd.	5,171,530,000.00	65.0000
Wuxi Transportation Industry Group Co., Ltd. [(1)]	1,815,510,000.00	22.8188
Changzhou Communications Holding Group Co., Ltd. [(2)]	969,160,000.00	12.1812

Notes:

(1) The ultimate beneficial owner of Wuxi Transportation is the People's Government of Wuxi (100%).

(2) The ultimate beneficial owner of Changzhou Communications Holding is the State-owned Assets Supervision and Administration Commission of Changzhou Municipal People's Government (100%).

Set out below is the audited financial statements of Suxichang South Expressway Company for the two financial years ended 31 December 2024 and 2025 and the three months ended 31 March 2026, respectively, which were prepared in accordance with the Accounting Standards for Business Enterprises of the PRC:

(RMB Yuan)

	For the year ended 31 December		For the three months ended 31 March 2026
	2024^	2025^	
Revenue	606,425,872.18	820,851,115.87	203,889,021.45
Operating costs	604,499,497.98	579,540,219.75	127,498,595.01
Profits before income tax	-212,622,857.83	70,633,032.12	38,148,245.00
Profits and total comprehensive profits	-212,622,857.83	70,633,032.12	38,148,245.00

	As at 31 December 2024^	As at 31 December 2025^	As at 31 March 2026^
Total assets	14,131,210,611.3	13,837,546,106.05	13,836,553,088.94
Total liabilities	6,925,220,208.34	6,560,922,670.97	6,521,781,408.86
Net assets	7,205,990,402.96	7,276,623,435.08	7,314,771,680.08

^ The 2024 financial statements of the Target Company were audited by its statutory auditor ShineWing Certified Public Accountants LLP, the 2025 financial statements of the Target Company and the financial statements for three months ended 31 March 2026 of the Target Company were audited by Suya Jincheng Certified Public Accountants LLP, and standard unqualified opinions were issued.

Due to delays in the construction schedule for the half-width closure of the Yanjiang Expressway upgrade and expansion project, the anticipated increase in diverted traffic and the resulting improvement in performance materialised later than planned. Specifically, at the time of the initial acquisition forecast, the construction of the pilot section of the Yanjiang Expressway expansion was scheduled to commence in June 2023, with full-scale construction across the entire line expected to begin in July 2024. In actual fact, the half-width closed construction of the Yanjiang Expressway expansion was postponed to November 2024. Consequently, the expected returns for the 2024 financial year were not realised as scheduled, resulting in a loss.

The Target Company's performance improved in 2025 and it gradually transitioned into a profitable asset, primarily due to:

1. Realisation of traffic volume benefits: The diversion effect resulting from the half-width closure of the Yanjiang Expressway for its upgrade and expansion began to materialise at the end of 2024, channelling surrounding traffic onto the Target Expressway;

2. Policy-driven increase in traffic attractiveness: From mid-May 2025, a 30 per cent discount on tolls was introduced for lorries using the Suxichang South Expressway, significantly boosting standard traffic volume on the Target Expressway;

3. Opening of supporting transport infrastructure: The Yima Expressway (Zhushanhu Tunnel) officially opened at the end of 2024, further improving regional road network connectivity, broadening access routes, and effectively boosting traffic volumes on the Target Expressway.

Operation and Management of Suxichang South Expressway Company

The Company and its wholly-owned subsidiary, Jiangsu Yangtze Commerce and Energy Co., Ltd. (hereinafter referred to as "**Yangtze Commerce and Energy Company**"), are entrusted to operate and manage Suxichang South Expressway Company and its service area gas stations, and its service areas, respectively:

1. On 26 March 2025, Yangtze Commerce and Energy Company, entered into a framework agreement with the Suxichang South Expressway Company regarding the entrusted management of the service area. The agreement term is from 1 May 2025 to 30 April 2028. The estimated entrusted management amount under this agreement shall not exceed RMB13.34 million (not exceeding RMB3.87 million in 2025, not exceeding RMB3.94 million in 2026, not exceeding RMB4.13 million in 2027, and not exceeding RMB1.40 million in 2028).

2. On 27 March 2026, the Company entered into an annual framework agreement with the Suxichang South Expressway Company regarding the Company's lease and operation of the Taihu Bay Service Area gas stations of the Suxichang South Expressway Company, and the entrusted operation and management of the Suxichang South Expressway Company by the Company. Details are as follows:

    (1) Suxichang South Expressway Company will lease the service area gas stations to the Company for operation. The operating lease term is from 1 May 2026 to 30 April 2027. The estimated lease amount shall not exceed RMB5 million (not exceeding RMB3 million in 2026, and not exceeding RMB2 million in 2027).

    (2) The Company is entrusted to operate and manage Suxichang South Expressway Company, with the term from 1 May 2026 to 30 April 2029. The estimated operation and management amount shall not exceed RMB165.66 million (not exceeding RMB33.35 million in 2026, not exceeding RMB54.73 million in 2027, not exceeding RMB57.467 million in 2028, and not exceeding RMB20.113 million in 2029).

As at the date of this announcement, a loan of RMB200 million has been provided by Jiangsu Communications Holding Group Finance Co., Ltd. (a subsidiary of Jiangsu Communications Holding) to Suxichang South Expressway Company for the construction of the Suxichang South Expressway. Suxichang South Expressway Company shall pay the interest and repay the principal in accordance with the terms of the loans. Given the loan interest rate is no higher than the rates offered to the Target Company by large state-owned commercial banks and national joint-stock commercial banks under comparable conditions, and that no collaterals have been provided by Suxichang South Expressway Company for such loan, the directors of the Company are of the view that the terms of such loan are on normal commercial terms.

Suxichang South Expressway Company has obtained 65 fixed asset loans from commercial banks and 6 fixed asset loans from China Development Bank for the construction of Suxichang South Expressway. Currently, the total loan amount is approximately RMB5,691,325,000. Jiangsu Communications Holding has been providing guarantees for the certain bank loans, which include 62 fixed asset loans from commercial banks, 6 fixed asset loans from the China Development Bank, amounting to RMB4,716,325,000. Such bank loans are not revolving facilities. Given Suxichang South Expressway Company is not required to pay Jiangsu Communications Holding any fees or provide any collaterals for the provision of guarantees, the directors of the Company are of the view that such one-off loan guarantees are conducted on normal commercial terms or better.

Upon completion of the transfer of the Target Equity, it is expected that the above transactions will continue save that the Company will have to replace Jiangsu Communications Holding as the guarantor for the above mentioned loans from commercial banks and China Development Bank upon the consent of the relevant banks. For details, please refer to “VIII. ARRANGEMENTS FOR ASSUMPTION OF GUARANTEE OBLIGATIONS” below.

IV. INFORMATION ON SUXICHANG SOUTH EXPRESSWAY

The Changzhou-Wuxi Section of the Suxichang South Expressway starts from the Qianhuang hub of the Changyi Expressway (常宜高速前黃樞紐), and crosses the Xilicao River rerouting section (錫溧漕河改線段), Changcao Highway (常漕公路) and Xinchang Railway (新長鐵路) on the south side of Qianhuang Town (前黃鎮). It crosses with the Xiyi Expressway (錫宜高速公路) and then passes through the Changzhou Taihu Bay Tourist Resort (常州太湖灣旅遊度假區) via Panjia Town (潘家鎮) and pass through the south of Xueyan Town (雪堰鎮) and enter the territory of Wuxi Mashan (無錫馬山). It then passes eastward through the Taihu Tunnel (太湖隧道) in Wuxi and ends at the Nanquan Hub (南泉樞紐), connecting with the Wuxi Huantaihu Highway (無錫環太湖公路).

The Suxichang South Expressway includes two tunnels, namely the Yaoxianshan Tunnel (遨賢山隧道) and the Taihu Tunnel (太湖隧道). The Taihu Tunnel is currently the longest and widest underwater tunnel in China. Along the Suxichang South Expressway, there are four entrances (Yuncun (運村), Taihu Bay (太湖灣), Mashan (馬山), Junzhang (軍嶂)), three hubs (Qianhuang hub (前黃樞紐), Xueyan hub (雪堰樞紐), Nanquan hub (南泉樞紐)), and one service area (Taihu Bay service area (太湖灣服務區)).

For reference purposes, a map showing Suxichang South Expressway and its connection with other major toll roads and expressways is depicted below:

Suxichang South Expressway

Toll roads owned and operated by the Group and closely related to the Suxichang South Expressway

Toll roads expected to be owned and operated by the Group

Toll roads connecting the toll roads which are owned and operated by the Group

Toll mileage:	Approximately 43.9 km
Design speed:	Qianhuang hub (前黃樞紐) to Mashan interchange section (馬山互通段) – 120 km per houraa Mashan interchange section (馬山互通段) to Nanquan hub (南泉樞紐段) – 100 km per hour
Number of lanes:	Six lanes in both directions
Number of toll collection stations:	Four, which are Yuncun (運村), Taihu Bay (太湖灣), Mashan (馬山), Junzhang (軍嶂)
Date of commencement of operation:	30 December 2021
Date of completion and acceptance:	28 December 2021
Date of final acceptance:	25 January 2024
Concession period:	25 years, which will expire on 29 December 2046

1. The toll level of Suxichang South Expressway is subject to the approval of Jiangsu Provincial People's Government, the details of which are set out below:

    (1) Class 1 to 4 passenger vehicles: RMB0.55 per km, RMB0.825 per km, RMB1.1 per km and RMB1.1 per km;

    (2) Class 1 to 6 trucks: RMB0.45 per km, RMB0.977 per km, RMB1.35 per km, RMB1.805 per km, RMB1.843 per km and RMB2.20 per km;

2. Toll standards for Suxichang South Expressway Taihu Tunnel are as follows:

   (1) Class 1 to 4 passenger vehicles are RMB45/trip, RMB60/trip, RMB90/trip, RMB90/trip respectively;

   (2) Class 1 to 6 trucks are RMB50/trip, RMB105/trip, RMB165/trip, RMB200/trip, RMB210/trip, RMB240/trip, respectively.

3. Toll standards for Mount Yaoxian Tunnel (邀賢山隧道) are as follows:

   (1) Class 1 to 4 passenger vehicles are RMB5/trip, RMB5/trip, RMB10/trip, RMB10/trip respectively;

   (2) Class 1 to 6 truck vehicles are RMB5/trip, RMB10/trip, RMB20/trip, RMB25/trip, RMB25/trip, RMB30/trip, respectively.

4. Government-purchased service discount for specific Wuxi-registered vehicles

   Since the date of commencement of operation of the Suxichang South Expressway, the Wuxi Municipal Transportation Bureau has entered into government-purchased service agreements with Suxichang South Expressway Company, pursuant to which toll concessions are granted for the Taihu Tunnel section to non-commercial ETC-equipped passenger vehicles with a seating capacity of 9 or fewer registered in Wuxi, when travelling on the section between the Huazhuang Interchange, Nanquan Interchange and Junzhang Interchange to Mashan Interchange on the S58 Shanghai-Changzhou Expressway. To date, the discount rates have been adjusted across three contract periods: the first contract period ran from the date of commencement of operation on 30 December 2021 to 31 December 2023, with a concessionary rate of RMB15 per trip; the first renewal period ran from 30 December 2023 to 29 December 2024, with the concessionary rate remaining at RMB15 per trip; and the current contract period runs from 30 December 2024 to 29 December 2027, with the concessionary rate adjusted to RMB10 per trip.

5. 30% toll discount for trucks passing through the Taihu Tunnel

   Pursuant to the "Notice on Optimising and Improving the Toll Discount Policies for Certain Truck Vehicles in Our Province" (Su Jiao Cai [2025] No. 8) jointly issued by the Jiangsu Provincial Department of Transport, the Provincial Development and Reform Commission, and the Provincial Department of Finance, with effect from 16 May 2025, a 30% toll discount is offered to all trucks nationwide that have installed and are using ETC for payment when passing through the Taihu Tunnel. The current policy implementation period is two years.

Historic traffic volume and revenue of Suxichang South Expressway is as follows:

	2024	**2025**	**For the three months ended 31 March 2026**
Passenger vehicles traffic volume *(number of vehicles per day)*	27,421	31,910	36,497
Trucks traffic volume *(number of trucks per day)*	3,984	7,577	5,868
Total toll revenue (RMB'000)	598,830.21	812,515.01	200,193.39

Note: The Suxichang South Expressway was officially opened on 30 December 2021.

V. VALUATION REPORT

The Company appointed Valuation Consultant to assess the value of the Target Equity in accordance with international valuation standards and requirements. Based on the assessment, the market value of the Target Company as of the Valuation Date is RMB7.36 billion. Hence, the market value of the Target Equity (100% equity interests of the Target Company) is RMB7.36 billion.

To develop its opinion of value, Valuation Consultant has considered three generally accepted approaches to value:

In the valuation of the equity, or the net assets, of a business, regardless of their diversity, location, or technological complexity, there are three basic approaches to perform a valuation. The descriptive titles typically attached to these approaches are cost, income, and market. In normal circumstances, the Valuation Consultant is obliged to consider all three approaches, as any, or perhaps all, may provide reliable measures of value.

Cost approach established value based on the cost of reproducing or replacing the property less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. This approach might be considered the most consistently reliable indication of value for assets without a known used market or separately identifiable cash flows attributable to assets appraised.

Income approach is an approach of converting the periodic income expected to arise from ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent property with similar risk.

Market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established used market may be appraised by this approach.

While useful for certain purposes, the cost approach is generally not considered applicable to the valuation of a going concern business, as it does not capture future earning potential of the business. Thus, cost approach is not utilized in the valuation. Valuation Consultant searched for publicly listed companies for application of guideline companies approach but no companies are similar to the Target Company in all material aspects. In view of the above, in forming our opinion, Valuation Consultant relied upon the income approach as primary approach to determine the enterprise value *(Note)* of the Target.

Note: Business enterprise value is defined for this valuation as the total invested capital, that is, equivalent to the combination of all interest-bearing debts, shareholders' loans and shareholders' equity. Alternatively, the business enterprise value is equivalent to the combination of all tangible assets (buildings, machinery and equipment), long-term investment, net operating working capital and intangible assets of a continuing business. Equity interest is equivalent to business enterprise value less interest-bearing debt.

Valuation Consultant considered the income approach as appropriate because Jiangsu Weixin Engineering Consulting Co., Ltd. (江蘇緯信工程諮詢有限公司) (the "**Traffic Consultant**") has relevant industry expertise and experience in estimating revenue and operating expenses to substantiate the forecast. The Valuation Consultant is of the view that the income approach is an appropriate and commonly used valuation method for toll road companies, as it reflects the specific characteristics of the project, including the development stage, concession period and geographic location, as well as the long-term economic benefits of the toll road.

In the preliminary valuation of the Target Equity, Valuation Consultant adopts the Adjusted Present Value Method in the income approach and based their valuation of Suxichang South Expressway Company on certain assumptions, which constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. Hence, the requirements of Rule 14.60A of the Hong Kong Listing Rules apply.

Key Assumptions

The key assumptions adopted by Valuation Consultant in the valuation of 100% equity interest in Suxichang South Expressway Company using the income approach are as follows:

General Assumptions

The valuation was prepared on the basis of market value standard under the premise of continued operation. Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion under International Valuation Standards.

Valuation Consultant's opinion of value was established under the premise of continued operation, which reflects the condition where the buyer and the seller contemplate retention of the business and related assets as part of current or forecast operations.

Valuation Consultant assumed that the data it obtained in the course of the valuation, along with the opinions and representations provided to Valuation Consultant by the management, are true and accurate and accepted them without independent verification except as expressly described herein. Valuation Consultant has no reason to suspect that any material facts have been omitted, nor are Valuation Consultant aware of any facts or circumstances, which would render the information, opinion and representations made to Valuation Consultant to be untrue, inaccurate or misleading. In arriving at the opinion of value, Valuation Consultant has considered the following principal factors:

- the stage of development of the Target Company
- the historical costs and current financial condition of the Target Company
- the economic outlook for countries affecting the industry
- the legal and regulatory issues of the toll road industry, general and other specific legal opinions relevant to the Target Company
- the risks associated with the Target Company
- the experience of the management

The Valuation Consultant's investigation included discussions with the management with regard to the history, operations and prospects of the Target Company, overview of certain financial data, an analysis of the industry and competitive environment, an analysis of guideline companies, and a review of transactions, operating statistics and other relevant documents. For this valuation, the Valuation Consultant has made reference to or reviewed the following major documents and data:

- Audited financial statements of the Target Company for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024, and 31 December 2025;
- A copy of the report of the Traffic Consultant with financial projection and the breakdown of major operating expenses prepared;
- Summary of key terms of bank borrowing of the Target Company

A discussion with the Traffic Consultant has been conducted by the Valuation Consultant to understand the assumptions, methodologies and conclusions of the Traffic Consultant's report. The Valuation Consultant relied on the revenue and expenses projections provided by the Traffic Consultant between 2026 and 2046 as basis in forming their opinion of value.

Due to the changing environments in which the Target Company is operating, a number of assumptions have to be made in arriving at Valuation Consultant's valuation conclusion, of which the key assumptions are:

- no major changes are expected in political, legal and economic conditions in China;
- regulatory environment and market conditions for toll road industry in China will be developing according to prevailing market expectations;
- there will be no major changes in the current taxation law applicable to the Target Company;
- the Target Company will not be constrained by the availability of finance;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations;
- the Target Company will retain competent management, key personnel and technical staff to support their ongoing operations.

Special Assumptions

Discount Rate

Valuation Consultant's analysis concludes that a discount rate of 7.0% is considered appropriate for appraising the fundamental value of the Target Company.

Revenue

Revenue is mainly driven by imposing toll charges on vehicles using the road for transportation purposes. In the Traffic Consultant's report, vehicles are charged according to their type, weight and the distance of road the vehicles have taken for transport. Historical traffic data, economic research, etc., were considered by the Traffic Consultant in their projections. Standard toll charge of each vehicle type is assumed unchanged over the period of the concession right.

In forming our opinion of value, projected revenue from the final conclusions of the Traffic Report was adopted as the basis of Valuation Consultant's valuation. According to the Traffic Consultant, toll revenue was derived by multiplication of the distance of road, toll charge rate, traffic volume, number of days and adjustment rate. Revenue was estimated to increase from RMB0.83 billion in 2026 to RMB2.32 billion in 2046, representing a compound annual growth rate of 5.29%.

Revenue would remain at RMB0.83 billion in 2026–2027. As Shanghai-Nanjing Expressway, another expressway parallel to the Suxichang South Expressway, is scheduled to undergo reconstruction and expansion in 2028, a significant volume of traffic is expected to be diverted to Suxichang South Expressway at that time. As a result, the revenue was projected to increase from RMB0.98 billion in 2028 to RMB1.62 billion in 2030. Subsequently, following the completion of Shanghai-Nanjing Expressway reconstruction and expansion project, revenue is expected to drop from RMB1.71 billion in 2031 to RMB1.61 billion in 2032. After that, the revenue is expected to grow from RMB1.87 billion in 2036 to RMB2.01 billion in 2037 because Suxi Taihu tunnel, connecting to the Suxichang South Expressway, would be opened to traffic by the end of 2036 and bring positive impact to the traffic volume of Suxichang South Expressway.

Cost of Revenue and Operating Expenses

Cost of revenue and operating expenses include toll related expenses, three major system maintenance expenses, road maintenance expenses, the depreciation expenses of fixed assets and amortization expenses of toll road operation right.

Income Tax

According to the tax document issued by the State Council of the People's Republic of China in 2007 (Guo Fa [2007] No. 39), the Target Company will be subject to 25% profit tax rate. Such required tax rates will be applied in the cash flow calculation.

Capital Expenditure

As the construction of the Suxichang South Expressway has been completed, no significant capital expenditure is expected during the forecast period. The capital expenditure forecast mainly comprises expenditures for the procurement of highway maintenance equipment.

The Residual Value of Tangible Assets at the End of Concession Period

Regarding the physical assets after the highway operating rights expire: Since the disposal method after expiration cannot be determined, and given that the residual value of fixed assets will be relatively low after long-term use, any remaining value would, in all likelihood, be transferred to the state free of charge in accordance with industry practice. Therefore, the residual value of physical assets after the expiration of operating rights has not been considered in the valuation.

Calculation of Fundamental Value

The fundamental value of operation of the Target Company was then calculated by adding the present values of the projected yearly free cash flow (FCF) between 2026 and 2046. The present values were derived by discounting the FCF by a discount rate that was appropriate for the risk of investing in the project.

Tax Shield on Interest Expenses Attributable to the Loan Outstanding

Under the adjusted present value approach, as the discount rate used was at all-equity financing level, an adjustment was made by addition of the present value of tax shield arising from the interest expenses on the outstanding loan balances of the Target Company during the projection period.

As advised by the management, interest expenses would be tax deductible. The discount rate used for calculation of the present value of the tax shield was 2.44%, which was based on the borrowing cost of the Target Company.

*Discount for Lack of Marketability ("**DLOM**")*

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in a closely held corporation. Based on option-pricing method, Valuation Consultant considered DLOM of 5.0% should be appropriate for valuing the equity interest of the Target Company.

Control Premium

Control premium was not applied in the valuation.

Confirmation

KPMG Huazhen LLP, the Company's reporting accountants, was engaged to report on the calculation of the discounted future cash flows used in the Valuation Report, as required by Rule 14.60A(2) of the Hong Kong Listing Rules.

The board of directors of the Company has (i) discussed with the senior management of the Company and Valuation Consultant on the basis and assumptions of the discount cash flow valuation of Suxichang South Expressway in the preliminary Valuation Report; (ii) reviewed the discount cash flow valuation as set out in the preliminary Valuation Report; and (iii) considered the preliminary report from the reporting accountants of the Company. Based on the above basis and subject to the assumptions set out above, the board of directors of the Company confirmed that the discount cash flow valuation as set out in the preliminary Valuation Report was made after due and careful enquiry by the directors of the Company.

The Company has appointed China Securities (International) Corporate Finance Company Limited as financial advisor to the Board of the Company in relation to the requirement under Rule 14.60A(3) of the Hong Kong Listing Rules.

The traffic consultant report, the Valuation Report, the report issued by the reporting accountants of the Company and the confirmation letter from the financial advisor as required under Rules 14.60A(2) and 14.60A(3) of the Hong Kong Listing Rules, the letter from the independent financial advisor and the letter from the independent board committee will be set out in the circular to be despatched to H shareholders within 15 business days after the publication of this announcement (i.e. on or before 18 September 2026).

VI. REASONS AND BENEFITS OF THE ACQUISITION

The Acquisition will enable the Company to expand its portfolio of high-quality road assets, realise synergies across the road network through coordinated operations, enhance the resilience of its core business, and improve profitability.

The Suxichang South Expressway is situated to the south of the city center and, together with the Nanjing–Shanghai Expressway, forms the two inter-city transport corridors–one in the south and the other one in the north–linking the city centers of Suzhou, Wuxi and Changzhou, playing a vital role in enhancing the region's transport capacity. The acquisition of the Suxichang South Expressway Company will further refine the Company's network layout in southern Jiangsu Province, expand the scale and scope of its operated roads, increase its reserves of high-quality assets, and enhance its capacity for sustainable development.

i. Reasons for the resumption of the Acquisition following the initial acquisition attempt

In July 2024, due to the significant delay of traffic control measures for the Yanjiang expressway expansion project, its impact on traffic volumes and asset valuation of the Suxichang South Expressway could not be accurately determined. Thus, the consideration of the target equity under the then equity transfer agreement (namely the 65% equity interest in the Suxichang South Expressway Company held by Jiangsu Communications Holding) failed to obtain approval/filing from the state-owned assets administration authority, and the conditions precedent of the then equity transfer agreement had not been satisfied. Consequently, the Company and Jiangsu Communications Holding mutually agreed to terminate the transaction, whilst retaining the possibility of resuming it in future.

In light of the project's progress, the equity acquisition project now meets the conditions for resumption. Firstly, the uncertainty surrounding traffic restrictions for the Yanjiang Expressway expansion project has been resolved. Since November 2024, comprehensive traffic restrictions have been in place for the Yanjiang Expressway expansion project, thereby removing the key obstacle that previously prevented the valuation from being filed. Secondly, traffic volume on the Yanjiang Expressway increased significantly in the first year of the expansion (2025), broadly in line with the expectations of the previous acquisition round. In 2025, traffic volume and toll revenue on the Suxichang South Expressway grew significantly; the Target Company returned to profitability for the full year, with a marked improvement in operating performance. Thirdly, three shareholders of the Suxichang South Expressway Company have reached a consensus on their willingness to proceed with the transaction and the terms thereof. All three shareholders have explicitly agreed to restart the transaction based on the valuation established for this round of acquisition, and the shareholders have waived their pre-emptive rights, giving priority to the transfer of shares to the Company under the same conditions.

ii. Benefits of the Acquisition

1. Promote the injection of high-quality assets to strengthen the asset base of the core business

From a strategic alignment perspective, as the core listed platform for Jiangsu Communications Holding's road and bridge division, the Company has long been deeply rooted in the southern Jiangsu region and possesses mature operational management capabilities and financing advantages. The Acquisition aligns with the Company's strategic direction of continuously supplementing its core toll road business with high-quality road assets. From an asset synergy perspective, the Suxichang South Expressway is situated in the core area of the Suzhou-Wuxi-Changzhou region and is highly correlated with Company's existing road assets in terms of location, traffic volume and flow, and service coverage. Furthermore, as it is already operated under trust by the Company and its subsidiary, Yangtze Commerce and Energy Company, the foundations for integration in respect of toll collection, maintenance and management are in place, and the conditions for equity consolidation are ripe. From a benefit perspective, incorporating high-quality existing road and bridge assets already in operation into the listed platform will help the Company to expand its long-term road asset reserves, strengthen the asset base of its core business, and enhance its sustainable development.

2. *Consolidate the trend of turning a loss into a profit and build up momentum for future growth*

Although the Suxichang South Expressway has only recently opened to traffic, traffic volumes have already entered a period of rapid growth. Since traffic control measures were introduced in November 2024 for the upgrade and expansion of the Yanjiang Expressway, some vehicles have been diverted to the Suxichang South Expressway. Combined with the opening of the Zhushanhu Tunnel, adjustments to passenger vehicle toll discounts and the implementation of preferential policies for lorries, both traffic volumes and toll revenue on the project have increased. In 2025, the Target Company achieved operating revenue of RMB821 million and a total profit of RMB71 million, having turned a loss into a profit; in the first quarter of 2026, it achieved operating revenue of RMB204 million and a total profit of RMB38 million, continuing its profitable performance. The Suxichang South Expressway Company has gradually transformed from a loss-making asset during its initial development phase into a road and bridge asset with a foundation for sustained improvement.

Furthermore, the Southern Jiangsu Province, where Suxichang South Expressway located in, is one of the most dynamic regions in the country in terms of economic, social and cultural development, with consistently high demand for east–west transport. Between 2023 and May 2026, the total average daily traffic volume at key sections of the Shanghai–Nanjing, Yangjiang, Suxichang south and Nanjing–Hangzhou expressways increased from 260,000 vehicles per day to 274,000 vehicles per day, reflecting an overall upward trend in east–west traffic flows in Southern Jiangsu Province. The reconstruction and expansion project of the Yanjiang Expressway is scheduled to be completed and open to traffic by the end of January 2027. During the reconstruction and expansion period, traffic diverted to the Suxichang South Expressway is expected to largely return to the Yanjiang Expressway at that time. However, as traffic on the Yanjiang Expressway consists mainly of through traffic from Central and Northern Jiangsu Province heading to Shanghai via the Jiangyin Bridge, the Shanghai–Suzhou–Nantong Bridge and the Suzhou–Nantong Bridge (approximately 69,000 vehicles per day, accounting for about 81 per cent), Suxichang South Expressway has only absorbed a few intra-regional journeys from Southern Jiangsu Province that previously used the Yanjiang Expressway; its growth relies primarily on overflow traffic from the Nanjing–Shanghai Expressway. Consequently, the negative impact of the Yanjiang Expressway's reconstruction and expansion on traffic volumes on Suxichang South Expressway is limited. Coupled with favourable factors such as the forthcoming reconstruction and expansion of the northern section of the Wuxi–Yixing Expressway, the construction of the new Jintan–Wujin section of the Nanjing–Changzhou Expressway, and the lifting of lorry restrictions on the Zhushanhu Tunnel, Suxichang South Expressway has significant potential for future traffic growth. The Suxichang South Company is expected to remain profitable and continue to contribute to the Company's profits.

3. Capture spillover traffic from expansion and reconstruction projects to enhance operational risk resilience

As a company holding single expressway asset, Suxichang South Expressway Company applies a relatively high overall toll standard within the southern Jiangsu road network (exceeding RMB1 per vehicle-kilometre), and its benefits under standalone operation are not sufficiently prominent. However, once incorporated into the Nanjing-Shanghai expressway network system, its strategic value can be fully unlocked amid the expansion and reconstruction cycles of surrounding road networks. Expansion and reconstruction works are planned for the Jiangsu section of the Nanjing-Shanghai expressway and adjacent road networks in the future, which may exert phased impacts on traffic volume, toll revenue and traffic efficiency of core road sections during construction. Analysis indicates that for trips between areas west of Changzhou and Shanghai, the Yanjiang Expressway mainly serves travel bound for the northwest of Shanghai, while the Nanjing-Shanghai Expressway and Suxichang South Expressway primarily cater to trips heading to downtown Shanghai. Such divergence in travel destinations will enable the Suxichang South Expressway to become a key recipient of spillover traffic generated during the expansion of Nanjing-Shanghai Expressway. It can share traffic pressure on the main corridor, mitigate the adverse impact of construction on core road sections on the Company's revenue and profits, and significantly strengthen the Company's operational stability and risk resistance capacity. Calculations show that assuming the acquisition is completed on 31 December 2025, the Company's consolidated net profit will rise by 1.63% to RMB4.9 billion, and the asset-liability ratio will increase by 7.75 percentage points to 50.71%, which remains at a medium-to-low level across the industry with risks well-contained. Pursuant to the annual profit forecasts set out in the appraisal report, the Suxichang Southern Expressway Company is expected to contribute an aggregate supplementary net profit of RMB1.865 billion to the Company during the expansion of Nanjing-Shanghai Expressway from 2029 to 2032.

4. The prospects

As part of the second corridor of the Nanjing–Shanghai Expressway, the Suxichang South Expressway runs parallel to the Wuxi and Changzhou sections of the Nanjing–Shanghai Expressway and thus competes to some extent within the road network. Given the current significant differences in toll rates and traffic distribution between the two expressways, following the Acquisition, the Company will be able to further integrate assets within the southern Jiangsu road network, strengthen business synergies and achieve coordinated operations. In the future, taking into account objective factors such as revisions to the toll roads regulations, reforms to the expressways toll pricing mechanism, and the increasing congestion within the road network, the Company may explore and innovate regional road network toll pricing mechanisms. By utilising economic measures to balance regional traffic distribution, the Company aims to enhance the overall operational efficiency and safety of the road network, thereby leveraging the role of expressways in driving economic development in the regions along the routes. Following the acquisition of 100% of the equity interests, the Company may also carry out a merger by absorption of the target company in the future, further reducing management costs and improving the efficiency of coordinated operations.

iii. The Target Company's potential for future performance improvement and Financial Impact of the Acquisition

Following the completion of this equity consolidation, the target assets will benefit from multiple favourable factors, offering ample scope for future performance improvement. On the one hand, this consolidation will enable the integrated and coordinated operation of the Shanghai–Nanjing Corridor road network, facilitating the routine management and diversion of traffic flows. Combined with the spillover effect from traffic generated by the subsequent upgrading and expansion of the Jiangsu section of the Shanghai–Nanjing Expressway, this will drive a sustained increase in traffic volume along the route. On the other hand, drawing on its mature and refined operational system and the advantages of low-cost financing, the Company will achieve cost reductions and efficiency gains through integrated and intensive management of toll collection, road maintenance and overall operations, thereby continuously realising the value of its existing road assets. At the same time, leveraging the strategic support provided by its controlling shareholder in the areas of provincial road network planning and traffic management, the Company will be able to consolidate the fundamental traffic volume on the section. As regional road network infrastructure, such as the Yima Expressway, continues to improve, the Company will steadily advance the optimisation of lorry traffic restriction policies and systematically implement a differentiated tolling mechanism for lorries, thereby continuously optimising traffic composition and fully tapping into revenue growth potential. The combined effect of these multiple favourable factors is expected to further boost the Company's overall operating revenue, significantly enhancing the target assets' profitability stability and long-term growth potential. Judging by the projected operational trends of the target assets, as the benefits of integrated road network operations gradually materialise, traffic volumes continue to grow, and various revenue-enhancing and cost-cutting measures take effect, the target assets' operating revenue and profit levels will rise steadily. Profit margins will continue to expand, with robust momentum for medium- to long-term performance growth and ample scope for further development.

Upon completion of the acquisition, Suxichang South Expressway Company will be included in the consolidated financial statements of the Company. Following the completion of this transaction, the Company's asset base has increased significantly and its operational foundation has been further strengthened, laying a solid foundation for future business development and market expansion. At the operational level, revenue has continued to rise steadily, whilst total profits have also increased steadily, resulting in higher earnings per share and a slight improvement in the profitability of the core business. At the same time, as the scale of assets has expanded, the Company's liability structure has undergone corresponding changes, leading to a slight increase in the asset-liability ratio; due to this expansion of assets, indicators relating to returns on assets and net assets have experienced short-term fluctuations, and the level of return on asset turnover has undergone temporary adjustments.

VII. CONTINUING CONNECTED TRANSACTIONS AFTER COMPLETION

Upon completion of the transfer of Target Equity, Suxichang South Expressway Company will become a wholly-owned subsidiary of the Company. (1) The entrustment of the ordinary operation and management matters (excluding the service areas and petrol stations) of Suxichang South Expressway Company to the Company, (2) the entrustment of management of service areas of Suxichang South Expressway Company to Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, and (3) the operational leasing of the service area petrol stations to the Company will no longer constitute continuing connected transactions of the Company whereas the transactions conducted in the ordinary and usual course of business of Suxichang South Expressway Company with Jiangsu Communications Holding and its associates will constitute ordinary related parties transactions/continuing connected transactions of the Company. The transactions that will become continuing connected transactions of the Company after completion are disclosed below:

(i) Continuing Connected Transactions subject to disclosure

A. Deposits with Finance Company (Continuing connected transaction item no. 1)

As at the date of the Equity Transfer Agreement (i.e. 27 August 2026), the deposit amount of Suxichang South Expressway Company with Jiangsu Communications Holding Group Finance Co., Ltd. (hereinafter referred to as the "**Finance Company**") is RMB184,957,326.90. From the Completion Date, for the purpose of centralising the management of the deposit amounts, deposits of Suxichang South Expressway Company with the Finance Company will be included in the Group's deposit balance limit under the Financial Services Agreement and the Supplemental Agreement between the Company and the Finance Company in effect at the material time. For further details regarding the Financial Services Agreement and the Supplemental Agreement, please refer to the Company's announcements dated 27 March 2025 and 30 March 2026.

B. Nanjing Micro Video Technology Company Limited (Continuing connected transaction items no. 2-4)

On 14 August, 30 July, 23 July 2026, Suxichang South Expressway Company entered into agreements with Nanjing Micro Video Technology Company Limited (hereinafter referred to as "**Micro Video Company**") regarding cloud check-in technical services, technical services for cloud migration for three business units, and the FFT 2.0 cloud-enabled service for toll lanes, respectively.

The terms and maximum agreement amounts of the continuing connected transactions between Suxichang South Expressway Company and Micro Video Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
2	Cloud check-in technical services	14 August 2026 to 30 April 2027	4.67	2.34	7.01	5.1	35.33
3	Technical services for cloud migration for three business units	30 July 2026 to 30 April 2027	5	5	10	10	11.7
4	The FFT 2.0 cloud-enabled service	23 July 2026 to 30 April 2027	4.2	2.1	6.3	7.2	3

In respect of service fees above, an independent third party qualified under the Measures for the Administration of Construction Cost Consultation Entity issued by the Ministry of Construction of the People's Republic of China was engaged by Suxichang South Expressway Company to review and report the review results based on the unit price of similar service contracts in the database of such construction cost consultation entity. The contract price of Micro Video Company was the lower of the price quoted by it according to the requirements of the Suxichang South Expressway Company or the price reported by the construction cost consultation entity engaged by Suxichang South Expressway Company. The maximum amounts of the agreement were estimated having regards to the utilization in the preceding year and the expected utilization during the term of the agreement, respectively. The fees under the agreement concerning the cloud check-in system and cloud migration for three business units shall be paid by Suxichang South Expressway Company with its own funds or financing funds in line with the use of funds after receiving the relevant services on a quarterly basis, whereas the fees under the agreement concerning FFT2.0 empowering platform services shall be paid by Suxichang South Expressway Company with its own funds or financing funds in line with the use of funds after receiving the relevant services on a semi-annual basis.

C. Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (Continuing connected transaction item no. 5)

Suxichang South Expressway Company entered into an agreement with Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (hereinafter referred to as "**Tongxingbao Company**") in respect of road network technology services on 15 December 2025.

The term and maximum agreement amounts of the continuing connected transaction between Suxichang South Expressway Company and Tongxingbao Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
5	Road network technology services	1 January 2026 to 30 April 2027	350	150	500	255.279	196.8038

The road network technology service fee is authorised by the Jiangsu Provincial Expressway Network Operations Management Committee–comprising members of the Jiangsu Provincial Expressway Network–for Tongxingbao Company to collect at a rate of 0.35% of the value of non-cash electronic tolls. This fee rate was set following fair negotiations between the Committee and Tongxingbao Company, after taking into account the costs and expenses incurred by Tongxingbao Company as a service provider. This rate is below the 2% fee cap set by the Jiangsu Provincial Price Bureau; the maximum amount under the agreement is estimated based on projected traffic volumes and the growing trend in lorry usage. Following the provision of the relevant service each month, Suxichang South Expressway Company shall pay the fees from its own funds or from financing proceeds that comply with the designated use of funds.

D. Jiangsu Expressway Network Operation and Management Co., Ltd. (Continuing connected transaction item no. 6)

On 15 December 2025, Suxichang South Expressway Company and Jiangsu Expressway Network Operation and Management Co., Ltd. (hereinafter referred to as "**Network Operation Company**") entered into an agreement in respect of road network management services. The term and maximum agreement amounts of the continuing connected transaction between Suxichang South Expressway Company and Network Operation Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
6	Road network management services	1 January 2026 to 30 April 2027	380	160	540	301.77	214.98

The fees chargeable by Network Operation Company shall be determined jointly by all member units through the annual meeting of the Road Network Management Committee. Network Operation Company shall charge road network management fees to the members of the road network based on the toll revenue and such fees shall be no more than 0.2% for cash income and no more than 1.5% for non-cash income. Such fee standard is lower than the price set out by Official Response of the Jiangsu Provincial Price Bureau on the Network Service Fee Standards of Expressways (Su Jia Fu [2008] No. 204) (i.e. no more than 0.2% for cash income and 2% for non-cash income).

The fees under the agreement shall be paid by Suxichang South Expressway Company with its own funds or financing funds in line with the use of funds after receiving the relevant services on a monthly basis.

E. Jiangsu Kuailu Motor Transport Co., Ltd. (Continuing connected transaction item no. 7)

On 27 May 2026, the Company entered into an agreement with Jiangsu Kuailu Motor Transport Co., Ltd. (hereinafter referred to as "**Kuailu Company**") in respect of the commuter shuttle service.

The term and maximum agreement amounts of the continuing connected transaction between Suxichang South Expressway Company and Kuailu Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
7	Commuter shuttle service	1 June 2026 to 30 April 2027	215.5662	123.1807	338.7469	304.9552	310.8513

The fees for commuter shuttle services were determined through price inquiry and comparison. The fees under the agreement will be paid by Suxichang South Expressway Company with its own funds or financing funds in line with the use of funds after receiving the relevant services on a quarterly basis.

F. Jiangsu Zhenyang Transportation Technology Co., Ltd. (Continuing connected transactions items no. 8-9)

On 20 July and 17 July 2026, the Suxichang South Expressway Company entered into agreements with Jiangsu Zhenyang Transportation Technology Co., Ltd. (hereinafter referred to as "**Zhenyang Transportation Technology Company**") regarding the construction of low-voltage cables for the charging station at Taihu Bay Service Area and the water and electricity maintenance project at Taihu Bay Service Area, respectively. The term of the agreement and the maximum agreement amounts for the continuing connected transaction between the Suxichang South Expressway Company and Zhenyang Transportation Technology Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025
8	The construction of low-voltage cables for the charging station at Taihu Bay Service Area	20 July 2026 to 19 July 2027	110	250	360	61.94
9	The water and electricity maintenance project at Taihu Bay Service Area	17 July 2026 to 16 July 2027	19.2525	19.2525	38.505	/

In respect of the construction of low-voltage cables for the charging station at Taihu Bay Service Area, the Suxichang South Expressway Company has engaged an independent third-party cost consultancy firm, qualified in accordance with the 'Measures for the Administration of Engineering Cost Consultancy Firms' issued by the Ministry of Construction of the People's Republic of China, to review the unit prices for similar service contracts in the database of such cost consultancy firm and to report the results of the review. The contract price of the Zhenyang Transportation Technology Company project will be the lower of the quotation required by Suxichang South Expressway Company or the price reported by the construction cost consultancy firm engaged. The maximum amounts of the agreement are estimated having regards to the expected utilization during the term of the agreement. The fee for construction of low-voltage cables for the charging station at Taihu Bay Service Area will be paid by the Suxichang South Expressway Company using its own funds or financing proceeds that comply with the intended use of funds, according to the actual progress of the project.

The pricing for the water and electricity maintenance project at the Taihu Bay Service Area was determined through a process of requesting and comparing quotations. In accordance with relevant operational requirements, the Suxichang South Expressway Company solicited quotations from three companies possessing the relevant qualifications. Among these, Zhenyang Transportation Technology Company is a related/connected party of the Company, whilst the other two companies are third parties independent of the Company and its related/connected parties. Following a comprehensive analysis of the quotations and services offered by these three entities, Zhenyang Transportation Technology Company submitted the lowest price, which was deemed fair and reasonable; consequently, Zhenyang Transportation Technology Company was selected as the partner. The maximum contract amount was estimated based on the anticipated scope of work for the project, and payments under the agreement are made every six months, with Suxichang South Expressway Company making the payments from its own funds or from financing proceeds that comply with the designated use of funds.

G. *Jiangsu Xiandai Road & Bridge Co., Ltd (Projects with agreement terms of not more than three years) (Continuing connected transaction items no. 10-11)*

Suxichang South Expressway Company entered into agreements with Jiangsu Xiandai Road & Bridge Co., Ltd. (hereinafter referred to as "**Xiandai R&B Company**") on 4 June 2026 and 29 January 2026, respectively, regarding routine maintenance project and comprehensive tunnel management and maintenance project.

The terms and the maximum agreement amounts of the continuing connected transactions between Suxichang South Expressway Company and Xiandai R&B Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
10	Routine maintenance project	4 June 2026 to 30 April 2027	345.45	172.72	518.17	220.58	1108.24
11	Comprehensive tunnel management and maintenance project	4 February 2026 to 4 February 2027	550.39	51.23	601.62	/	/

The quotation submitted by Xiandai R&B Company will be reviewed and reported upon by an independent third-party cost consultancy firm, qualified in accordance with the "Measures for the Administration of Engineering Cost Consultancy Firms" issued by the Ministry of Construction of the People's Republic of China. This review will be based on, but not limited to, the "Measures for the Preparation of Budgets and Quotas for Expressway Maintenance Projects in Jiangsu Province" issued by the Jiangsu Provincial Bureau of Quality and Technical Supervision; the "Measures for the Preparation of Estimates and Budgets for Expressway Construction Projects" and the "Budget Quotas for Expressway project" issued by the Highway Bureau of the Ministry of Transport of the People's Republic of China; and similar project unit prices from the cost consultancy firm's database. The contract price for Xiandai R&B Company's projects shall be the lower of its quotation or the price verified by the cost consultancy firm appointed by the Suxichang South Expressway Company. The maximum agreement amounts shall be estimated based on factors such as the anticipated volume of services required given the condition of the road, and the anticipated scope of work for construction and renovation projects. The fees for routine maintenance project and comprehensive tunnel management and maintenance project shall be paid by Suxichang South Expressway Company from its own funds or from financing proceeds in line with the intended use of funds, following receipt of the relevant services each quarter.

H. Xiandai R&B Company (Project with an agreement term of more than three years) (Continuing connected transaction item no. 12)

On 23 April 2021, Suxichang South Expressway Company entered into an agreement with Xiandai R&B Company in respect of Taihu Tunnel and Mount Yaoxian Tunnel pavement construction and maintenance integration project and maintenance on CX-23 Section (hereinafter referred as "**Road Maintenance Agreement**"). The total amount of agreement was RMB39,845,585.98.

The term and maximum agreement amounts of the continuing connected transaction between Suxichang South Expressway Company and Xiandai R&B Company are as follows:

Currency: RMB

Year	Amount incurred/ to be incurred	Remark
2021	1,962,179.94	Taihu Tunnel and Mount Yaoxian Tunnel have been put into operation for a relatively short period. Featuring sound overall engineering quality, their maintenance costs are lower than anticipated. Routine maintenance work mainly consists of regular cleaning, inspections and patrols. Actual annual expenditure of 2021–2025 is RMB1,962,179.94.
2022	1,962,179.94	
2023	3,559,504.29	
2024	3,931,763.905	
2025	4,304,023.48	
2026	4,304,023.48	
2027	4,676,283.055	
2028	4,676,283.055	
2029	5,048,542.63	
2030	5,420,802.205	
Total	**39,845,585.98**	

According to the Road Maintenance Agreement, Xiandai R&B Company is responsible for maintenance of the tunnel road surface within the CX-23 Section, as well as the overpass on Wuyang Road and the road surface on the Luma Highway branch line upon the completion of construction works. The construction was completed in November 2021. According to the Road Maintenance Agreement, Xiandai R&B Company would provide maintenance services for a period of ten years after the completion and acceptance date of the new construction project. The total contractual amount for the maintenance phase is RMB39,845,585.98.

Xiandai R&B Company was awarded the Road Maintenance Agreement after its successful tender bid organized by the Transport Construction Bureau. The maximum amounts of the agreement were estimated having regards to the expected volume of services required by the road conditions. The fees under the agreement shall be paid by Suxichang South Expressway Company with its own funds or financing funds in line with the use of funds after receiving the relevant services on a quarterly basis.

As the remaining term exceeds three years, in accordance with the listing rules of both stock exchanges, the independent financial adviser appointed by the Company will explain in the general meeting circular to be sent to H shareholders why the agreement requires a longer term, and will confirm that the term of the agreement is consistent with the general practice for such agreements within the industry. Furthermore, in accordance with the Shanghai Listing Rules, the Company will subsequently submit this proposal to the Board for consideration every three years.

(ii) Fully Exempted Continuing Connected Transactions

In addition, Suxichang South Expressway Company will also be conducting continuing connected transactions with Jiangsu Communications Holding and its associates below. In respect of continuing connected transactions items no. 13 to 17, as the applicable percentage ratios of the estimated total amounts (when aggregated with any other continuing connected transactions of similar nature and type as those of the Group), calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules are all less than 0.1%, such transactions are fully exempt from the requirements of connected transactions. The continuing connected transactions items no. 18 and 19 relate to financial assistance received by the Suxichang South Expressway Company from Jiangsu Communications Holding and its associate. Such assistance is provided on normal commercial terms or better, and the Group will not provide any security over its assets in respect of such assistance. Pursuant to Rule 14A.90 of the Hong Kong Listing Rules, they are fully exempt from disclosure requirements for the continuing connected transaction.

I. Tongxingbao Company (Continuing connected transaction items no. 13-15)

Suxichang South Expressway Company entered into agreements with Tongxingbao Company in respect of cloud billing project, SD-WAN network maintenance, and cloud dispatch technology services on 22 May, 30 July, and 17 August 2026, respectively.

The terms and maximum agreement amounts of the continuing connected transactions between Suxichang South Expressway Company and Tongxingbao Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
13	Cloud dispatch technology services	17 August 2026 to 30 April 2027	21.22	10.61	31.83	31.82	31.82
14	SD-WAN technical services	30 July 2026 to 30 April 2027	9.08	18.161	27.241	27.241	27.241
15	Cloud billing project	22 May 2026 to 30 April 2027	16.23	8.11	24.34	4.93	/

With regard to cloud dispatch technology services, SD-WAN technical services and cloud billing project, Suxichang South Expressway Company shall engage an independent third-party cost consultancy firm, qualified in accordance with the 'Measures for the Administration of Engineering Cost Consultancy Firms' issued by the Ministry of Construction of the People's Republic of China, to review unit prices and report the results of such reviews. The fees stipulated in the agreement shall be paid by Suxichang South Expressway Company from their own funds or from financing proceeds that comply with the intended use of funds, on a quarterly or half-yearly basis following receipt of the relevant services.

J. Jiangsu Communications Holding Digital Transportation Research Institute Company Limited (Continuing connected transaction item no. 16)

Suxichang South Expressway Company entered into an agreement with Jiangsu Communications Holding Digital Transportation Research Institute Company Limited (hereinafter referred to as "**Digital Transportation Research Institute**") in respect of "Traffic Control Cloud" platform and cloud resource technology services on 8 July 2026.

The term and maximum agreement amounts of the continuing connected transaction between Suxichang South Expressway Company and Digital Transportation Research Institute are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Amount to be incurred in 2027	Total	Amount incurred in 2025	Amount incurred in 2024
16	"Traffic Control Cloud" platform and cloud resource technology services	8 July 2026 to 30 April 2027	6.67	13.33	20	20	20

The agreement with Digital Transportation Research Institute was priced by way of audits before bidding, i.e. third party auditors who are independent and qualified in costing are entrusted to prepare the control prices. The third parties take national laws, regulations and budget quotas as the basis for the audit process, and review, double-check and conduct market inquiry in light of actual circumstances to ensure the fairness of the pricing of the continuing connected transactions. The fees under the agreement shall be paid by Suxichang South Expressway Company every six months with its own funds or financing funds in line with the use of funds after receiving the relevant services.

K. Jiangsu Expressway Information Engineering Co., Ltd. (Continuing connected transaction item no. 17)

On 15 December 2025, Suxichang South Expressway Company entered into an agreement with Jiangsu Expressway Information Engineering Co., Ltd. (hereinafter referred to as "**Expressway Information Company**") regarding the maintenance of the service area information platform.

The term and the maximum agreement amount for the continuing connected transaction between the Suxichang South Expressway Company and Expressway Information Company are as follows:

Unit: RMB0,000

No.	Project	Performance period	Amount to be incurred in 2026	Total	Amount incurred in 2025	Amount incurred in 2024
17	Maintenance of the service area information platform	17 December 2025 to 16 December 2026	2.76	2.76	/	/

The maintenance project of the service area information platform was awarded to the successful tenderer through an open tender process. Tender submissions were assessed by a tender evaluation committee comprising experts in the relevant fields to ensure that prices were fully competitive. The maximum agreement amount is estimated based on the anticipated scope of work for the project. Payment for the service area smart management platform maintenance project will be made in a single instalment by the Suxichang South Expressway Company from its own funds or from financing proceeds that comply with the intended use of funds, following receipt of the relevant services.

L. The guarantee provided by Jiangsu Communications Holding (Continuing connected transaction item no. 18)

Pursuant to the Equity Transfer Agreement, from the Completion Date, Jiangsu Communications Holding shall continue to guarantee for the debts of Suxichang South Expressway Company until such guarantee liabilities are assumed by the Company with the creditors' consent, or otherwise modified or released, the total guaranteed amount is approximately RMB4,716,325,000. During such period, the guarantee obligations assumed by Jiangsu Communications Holding for the debts of Suxichang South Expressway Company constitute financial assistance provided by a connected person to the Group, which is not secured by the assets of the Group.

M. The loan provided by the Finance Company (Continuing connected transaction item no. 19)

Currently, the Finance Company (a subsidiary of Jiangsu Communications Holding) provides a loan of RMB200 million to the Suxichang South Expressway Company. Upon the Completion Date, financial services transactions between the Target Company and the Finance Company will subsist under the Financial Services Agreement and its Supplementary Agreement entered into between the Company and the Finance Company. For details of the Financial Services Agreement and its Supplementary Agreement, please refer to the Company's announcements dated 27 March 2025 and 30 March 2026.

(iii) Reasons and benefits for continuing with the aforementioned transactions after the Completion

Upon the Completion Date, the aforementioned continuing transactions under the existing agreements will constitute continuing connected transactions of the Company. The aforementioned continuing connected transactions are all necessary for the day-to-day operation, management and maintenance of the expressway by Suxichang South Expressway Company, and such transactions will ensure that the Target Company can carry out its business as normal. Thus, the directors of the Company (including the independent non-executive directors) believe that these transactions are in the ordinary and usual course of business of the Group and conducted on normal commercial terms or better; the terms are fair and reasonable and are in the best interests of the Company and its shareholders as a whole.

(iv) Information on counterparties of continued connected transactions

Information on counterparties of the aforementioned transactions is set as follow (all financial data below is prepared in accordance with the Accounting Standards for Business Enterprises of the People's Republic of China):

The basic details of **Nanjing Micro Video Technology Company Limited** are as follows:

Registered office:	102, Block 39, No. 66 Lingjiao City, Qinhuai District, Nanjing
Business nature:	Joint-stock limited company
Legal representative:	Wang Mingwen
Registered capital:	RMB30,000,000
Shareholders (shareholding percentage):	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (51%)
	Ge Xiaochuan (16.16%)
	Wu Wei (8.75%)
	Gu Bin (7.91%)
	Nanjing Ganchuang Investment Enterprise (Limited Partnership) (8.83%) *(Note 1)*
	Nanjing Ganxiang Management Consulting
	Partnership (Limited Partnership) (7.35%) *(Note 2)*
Principal business:	Construction of and technical consultation and technical services for projects in relation to roads, transportation engineering, communications, electromechanical equipment installation, technical consulting, technical services; sales of integration of computing systems, computer network engineering, computer hardware service, hardware and electrical materials; computer software and hardware and peripheral equipment manufacturing

Total assets at the end of the latest accounting period (2025):	RMB451,525,400
Net assets at the end of the latest accounting period (2025):	RMB172,184,640
Revenue from operations at the end of the latest accounting period (2025):	RMB389,606,780
Net profit at the end of the latest accounting period (2025):	RMB50,836,930

The basic details of **Jiangsu Xiandai Road & Bridge Company Limited** are as follows:

Registered office:	No. 2 Xianlin Avenue, Maqun Street, Qixia District, Nanjing
Business nature:	Limited liability company
Legal representative:	Yuan Shouguo
Registered capital:	RMB129,050,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Company Limited (25%)

Jiangsu Expressway Company Limited (15%)

Jiangsu Yanjiang Expressway Co., Ltd. (15%) *(Note 3)*

Jiangsu Guangjing Xicheng Expressway Co., Ltd. (7.5%) *(Note 4)*

Jiangsu Sutong Bridge Company Limited (7.5%) *(Note 5)*

Jiangsu Yangtze Bridge Co., Ltd. (7.5%) *(Note 6)*

Jiangsu Runyang Bridge Development Co., Ltd. (7.5%) *(Note 7)*

Jiangsu Taizhou Bridge Co., Ltd. (7.5%) *(Note 8)*

Jiangsu Ninghang Expressway Co., Ltd. (7.5%) *(Note 9)*

Principal business:	Bridge engineering, highway engineering, design, construction, maintenance and technical services of tunnel construction, railway engineering, municipal engineering, green engineering, landscape engineering, transportation engineering, construction engineering; testing services; engineering supervision; sales and technical research and development of new materials and road maintenance equipment; research and development and sales of building materials; general cargo storage services; lease, sales and technical services of construction machinery and equipment; design, production, agency, and release of various domestic advertisements; advertising engineering construction; information technology development and services, etc.
Total assets at the end of the latest accounting period (2025):	RMB2,933,379,000
Net assets at the end of the latest accounting period (2025):	RMB1,498,452,000
Revenue from operations at the end of the latest accounting period (2025):	RMB2,002,990,000
Net profit at the end of the latest accounting period (2025):	RMB103,273,000

The basic details of **Jiangsu Tongxingbao Smart Transport Technology Co., Ltd.** are as follows:

Registered office:	Building 31, No. 2 Zidong Road, Qixia District, Nanjing
Business nature:	Joint-stock limited company (its shares are listed on the Shenzhen Stock Exchange with stock code: 301339)
Legal representative:	Wang Mingwen
Registered capital:	RMB580,333,320
Shareholders (shareholding percentage):	Jiangsu Communications Holding Co., Ltd (48.46%) Jiangsu Expressway Network Operation & Management Co., Ltd. (20.77%) *(Note 7)* Nantong Transportation Industry Group Co., Ltd. (1.23%) *(Note 10)* Based on publicly available information, there are no other persons holding more than 1% interests in the company.
Principal business:	1. Intelligent transportation electronic toll collection business mainly based on ETC, including ETC issuance and sales, electronic toll collection service business, etc. 2. Intelligent transportation operation and management system business based on cloud technology, which mainly includes system software development, comprehensive solutions and system technical services for intelligent transportation operation and management.

	3. The construction of ecological scenarios with "ETC +" as the core, integrating vehicle parking, refueling, insurance, road economy, car maintenance and other vehicle life, and carrying out ETC ecosystem business.
Total assets at the end of the latest accounting period (2025):	RMB5,893,978,470
Net assets at the end of the latest accounting period (2025):	RMB2,802,692,470
Revenue from operations at the end of the latest accounting period (2025):	RMB1,067,785,970
Net profit at the end of the latest accounting period (2025):	RMB247,694,500

The basic details of **Jiangsu Expressway Information Engineering Co., Ltd.** are as follows:

Registered office:	22 Floor, Block 1, Kang Yuan Zhi Hui Gang, No.50 Jialing Jiangdong Street, Jianye District, Nanjing
Business nature:	Limited liability company
Legal representative:	Cui Xiaolong
Registered capital:	RMB50,000,000
Shareholders (shareholding percentage):	Jiangsu Yunshan Capital Management Co., Ltd. (30%) *(Note 7)* Jiangsu Jiukang Enterprise Management Co., Ltd. (25%) *(Note 11)*

	Nanjing Zhongying Equity Investment Management Center (Limited Partnership) (20%) *(Note 12)* Nanjing Lianying Equity Investment Management Center (Limited Partnership) (25%) *(Note 13)*
Principal business:	Electromechanical system construction, software research and development, and system maintenance for expressways, etc.
Total assets at the end of the latest accounting period (2025):	RMB201,527,000
Net assets at the end of the latest accounting period (2025):	RMB79,140,000
Revenue from operations at the end of the latest accounting period (2025):	RMB108,226,000
Net profit at the end of the latest accounting period (2025):	RMB6,542,000

The basic details of **Jiangsu Communications Holding Digital Transportation Research Institute Co., Ltd.** are as follows:

Registered office:	Tower A2, Zijin Financial Centre, Plot No. 47, Hexi Middle, Jianye District, Nanjing City
Business nature:	Limited liability company wholly owned by a legal person that is invested in or controlled by a non-natural person
Legal representative:	Cao Xiaofeng
Registered capital:	RMB50,000,000
Shareholders (shareholding percentage):	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (100%)
Principal business:	Software development, system integration and security, system development and software maintenance services; provision of transportation digital value-added and consulting services to support the construction of digital platforms; construction and operation and maintenance of new infrastructure systems for digital transportation; data elements and digital economy related.
Total assets at the end of the latest accounting period (2025):	RMB191,964,750
Net assets at the end of the latest accounting period (2025):	RMB75,989,300
Revenue from operations at the end of the latest accounting period (2025):	RMB100,038,230
Net profit at the end of the latest accounting period (2025):	RMB5,525,740

The basic details of **Jiangsu Kuailu Motor Transport Co., Ltd.** are as follows:

Registered office:	No. 96, Qijiawan, Jianye Road, Nanjing
Business nature:	Joint-stock limited company
Legal representative:	Li Mingzhu
Registered capital:	RMB99,198,000
Shareholders (shareholding percentage):	Jiangsu Expressway Company Limited (32.1575%);
	Jiangsu Communications Holding Company Limited (18.1455%);
	Jiangsu Nanjing Long Distance Passenger Transport Group Co., Ltd. (13.6364%) *(Note 14)*;
	Suqi Group Co., Ltd. (10.6061%) *(Note 15)*;
	Wuxi Passenger Transport Group Co., Ltd. (10.6061%) *(Note 16)*;
	Changzhou Highway Transportation Group Co., Ltd. (7.5757%) *(Note 17)*;
	Jiangsu Zhenjiang Jiangtian Transportation Group Co., Ltd. (7.2727%) *(Note 18)*

Principal business:	Road transportation
Total assets at the end of the latest accounting period (2025):	RMB12,125,170
Net assets at the end of the latest accounting period (2025):	RMB8,439,660
Revenue from operations at the end of the latest accounting period (2025):	RMB13,723,230
Net profit at the end of the latest accounting period (2025):	RMB99,820

The basic details of **Jiangsu Expressway Network Operation and Management Co., Ltd.** are as follows:

Registered office:	No. 189 New Maqun Street, Nanjing
Business nature:	Limited liability company
Legal representative:	Wang Yingjian
Registered capital:	RMB144,400,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Company Limited (23.9404%)
	Jiangsu Yanjiang Expressway Co., Ltd. (7.2438%) *(Note 3)*
	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (7.2438%) *(Note 4)*
	Jiangsu Expressway Company Limited (7.2438%)
	Suzhou Expressway Management Company Limited (3.6219%) *(Note 19)*

Changzhou Expressway Management Co., Ltd. (3.6219%) *(Note 20)*

Nanjing Raoyue Southeast Expressway Co., Ltd. (3.6219%) *(Note 21)*

Jiangsu Sutong Bridge Company Limited (3.6219%) *(Note 5)*

Jiangsu Ningjingyan Expressway Co. Ltd. (3.6219%) *(Note 22)*

Jiangsu Yangtze Bridge Co., Ltd. (3.6219%) *(Note 6)*

Jiangsu Ninghang Expressway Co., Ltd. (3.6219%) *(Note 9)*

Jiangsu Ningsuxu Expressway Co. Ltd. (3.6219%) *(Note 23)*

Nanjing Communications Group Expressway Toll Management Center (3.6219%) *(Note 24)*

Jiangsu Runyang Bridge Development Co., Ltd. (3.6219%) *(Note 7)*

Jiangsu Jinghu Expressway Company Limited(3.6219%) *(Note 25)*

Suzhou Raocheng Expressway Co., Ltd. (3.6219%) *(Note 26)*

The Third Yangtze River Bridge Co., Ltd. (3.6219%) *(Note 27)*

Jiangsu Taizhou Bridge Co., Limited (3.6219%) *(Note 8)*

Jiangsu Lianxu Expressway Co., Ltd. (3.6219%) *(Note 28)*

Principal business:	Networked operation and management and technological research and service of expressways in Jiangsu; maintenance and technical consultation for the communication system, monitoring system, toll collection system and relevant systems; toll auditing and account settlements and electronic toll collection services of networked expressways in Jiangsu Province; collection and dispatch of public information of network expressways in Jiangsu Province; sale of On Board Unit and Identity Card which are used by expressway toll systems in Jiangsu Province.
Total assets at the end of the latest accounting period (2025):	RMB2,094,618,180
Net assets at the end of the latest accounting period (2025):	RMB850,407,700
Revenue from operations at the end of the latest accounting period (2025):	RMB175,821,350
Net profit at the end of the latest accounting period (2025):	RMB49,540,460

The basic details of **Jiangsu Zhenyang Transportation Technology Company** are as follows:

Registered office:	No. 25 Runzhou Road, High-Tech District, Zhenjiang City, Jiangsu Province
Business nature:	Limited liability company (wholly owned by a legal person, not invested in or controlled by natural persons)
Legal representative:	Tian Feng
Registered capital:	RMB200,000,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Co., Ltd. (100%)
Principal business:	Construction, installation and related services of electromechanical engineering; research and development of intelligent systems; installation and renovation of power supply and distribution facilities; water and electricity operation & maintenance services; vehicle-passenger ferry services; electromechanical maintenance of vessels, etc.
Total assets at the end of the latest accounting period (2025):	RMB446,714,000
Net assets at the end of the latest accounting period (2025):	RMB345,830,000
Revenue from operations at the end of the latest accounting period (2025):	RMB239,853,000
Net profit at the end of the latest accounting period (2025):	RMB39,047,000

The basic details of **Jiangsu Communications Holding Group Finance Co., Ltd.** are as follows:

Registered office:	Floor 1, 2, 33, 34, Tower A2, Zijin Financial Centre, No. 399, Jiangdong Middle Road, Jianye District, Nanjing City
Business nature:	Limited liability company
Legal representative:	Yang Shuiming
Registered capital:	RMB2,000,000,000
Shareholders (shareholding percentage):	Jiangsu Communications Holding Co., Ltd. (68.75%) Jiangsu Expressway Company Limited (25%) Jiangsu Jinghu Expressway Company Limited (6.25%) *(Note 25)*
Principal business:	Enterprise group financial company services (projects subject to legal approval may only commence business activities after approval by the relevant departments, and specific business projects are subject to the approval results)
Total assets at the end of the latest accounting period (2025):	RMB24,538,870,880
Net assets at the end of the latest accounting period (2025):	RMB3,000,129,330
Revenue from operations at the end of the latest accounting period (2025):	RMB375,947,810
Net profit at the end of the latest accounting period (2025):	RMB115,044,260

Note 1: The general partner is Huang Yingqing.

Note 2: The general partner is Ge Xiaochuan.

Note 3: The ultimate beneficial owners: Jiangsu Communications Holding Company Limited (55.46%), Jiangsu Guangjing Xicheng Expressway Company Limited (25.15%) (its principal business comprises highway administration and maintenance, construction engineering construction, catering services and others; its ultimate beneficial owner is People's Government in Jiangsu Province (100%)), Suzhou Yanjiang Expressway Company Limited (8.91%) (its principal business comprises the construction, maintenance, management and operation of the Suzhou Section of Jiangsu Riverside) and Changzhou State-owned Assets Supervision and Administration Commission (1.58%). Based on publicly available information, there are no other persons holding more than 1% interests in the company.

Note 4: The Company's 85%-owned subsidiary, the ultimate beneficial owner of the remaining 15% is China Merchants Highway Network & Technology Holdings Co., Ltd. (Shenzhen Stock Exchange stock code: 001965). The principal business of China Merchants Expressway Network & Technology Holdings Co., Ltd. includes investment, development, construction, and operation management of infrastructure such as highways, bridges, wharves, ports, and waterways; investment management; and the development, research, and sale of new technologies, new products, and new materials for transportation infrastructure..

Note 5: The ultimate beneficial owners: Jiangsu Communications Holding Company Limited (46.54%), Rudong County Investment Management Office (8.31%), Nantong State-owned Assets Supervision and Management Committee (20.09%) and Suzhou State-owned Assets Management Committee (15.1%). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 6: Ultimate beneficial owners: Jiangsu Communications Holding Company Limited (47.78%), Jiangsu Expressway Company Limited (26.66%) and China Merchants Expressway Network & Technology Holdings Co., Ltd. (21.64%). Based on publicly available information, there are no other persons holding more than 4% interests in the company.

Note 7: Ultimate beneficial owner is Jiangsu Communications Holding Company Limited.

Note 8: The ultimate beneficial owners: Jiangsu Communications Holding Company Limited (75.93%) and People's Government of Taizhou (13.02%). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 9: The ultimate beneficial owners are the State-owned Assets Supervision and Administration Commission of Jiangsu Province (79.99%), Nanjing State-owned Assets Supervision and Administration Commission (10%), Changzhou State-owned Assets Supervision and Administration Commission (7.82%) and Wuxi State-owned Assets Supervision and Administration Commission (2.19%).

Note 10: The ultimate beneficial owner is Nantong State-owned Assets Supervision and Administration Commission.

Note 11: The ultimate beneficial owners: Qiao Jiuhua (67%), Tang Zhongxiang (33%).

Note 12: The general partner is Chen Jiahong.

Note 13: The general partner is Cui Xiaolong.

Note 14: The ultimate beneficial owners are: Nanjing State-owned Assets Management Committee (35.00%), Tian Jiren (10.7%), Zhang Laishun (3.5%), Shanghai Jin Jiang Online Network Service Co., Ltd. (27%, a company listed on the Shanghai Stock Exchange, stock code: 600650. SH, its principal business comprises tourism services, food business, and Category II Value-Added Telecommunications Services, among others). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 15: Ultimate beneficial owners: Labour Union Committee of Suqi Group Co., Ltd. (78.89%) and SASAC of Suzhou (21.11%).

Note 16: The ultimate beneficial owner are: Wuxi Municipal People's Government (95%) and Wuxi Radio and Television Group (5%).

Note 17: The ultimate beneficial owners are: Changzhou Municipal People's Government (25.98%), the Labor Union Committee of Suqi Group Co., Ltd. (18%), Suzhou SASAC (4.8%). Based on publicly available information, no other person owns more than 5%.

Note 18: The ultimate beneficial owners are: Ye Ming (30.4835%), Chen Hongjie (7.0409%), Jing Bin (6.8033%), Cao Ruming (6.8033%), Wu Zhixiu (6.8033%), Ge Yafang (6.8033%). Based on publicly available information, no other person owns more than 5%.

Note 19: Ultimate beneficial owners: Suzhou State-owned Assets Management Committee (65.77%), Jiangsu Provincial People's Government (16.33%). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 20: Ultimate beneficial owners: Changzhou Municipal People's Government (100%).

Note 21: Ultimate beneficial owners: Nanjing State-owned Assets Management Commission (100%).

Note 22: Ultimate beneficial owners: Jiangsu Communications Holding Company Limited (74.07%), China Merchants Highway Network & Technology Holdings Co., Ltd. (Shenzhen Stock Exchange stock code: 001965. SZ) (10.51%), Taizhou State-owned Assets Supervision and Administration Commission (7.86%), Nantong State- owned Assets Supervision and Administration Commission (2.81%), Yancheng State-owned Assets Supervision and Administration Commission (2.66%) and Yangzhou State-owned Assets Supervision and Administration Commission (2.09%).

Note 23: Ultimate beneficial owners: Jiangsu Communications Holding Company Limited (93.42%) and Suqian State-owned Assets Supervision and Administration Commission (4.47%). Based on publicly available information, there are no other persons holding more than 1.3% interests in the company.

Note 24: Public institutions.

Note 25: The ultimate beneficial owners: Jiangsu Communications Holding Company Limited (55.27%), Jiangsu Yueda Investment Co., Ltd. (6%) (Shanghai Stock Exchange stock code: 600805. SH, its principal business comprises power generation, power transmission and power supply (distribution)), Yangzhou State-owned Assets Supervision and Administration Commission (17.31%), Suqian State-owned Assets Supervision and Administration Commission (4.54%), Xuzhou State-owned Assets Supervision and Administration Commission (1.69%) and the Department of Finance of Jiangsu Province (0.19%).

Note 26: Ultimate beneficial owners: Suzhou Municipal People's Government State-owned Assets Supervision and Administration Commission (64.39%), Tibet Autonomous Region Department of Finances (31.85%). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 27: Ultimate beneficial owners: Nanjing State-owned Assets Management Commission (45%), HKSCC Nominees Limited (11.55%), Xintongchan Industry Development (Shenzhen) Co., Ltd. (10.5%) (ultimate beneficial owner: Shenzhen International Holdings Limited, a company listed on the Hong Kong Stock Exchange, stock code: 00152. HK, its principal business comprises modern logistics, toll roads and inland waterway ports and other sectors), Shenzhen Shen Guang Hui Highway Development Company Limited (its principal business comprises investment in road and bridge construction, and the supply and distribution of materials) (6.3%), Nanjing Pukou District Finance Bureau (5%). Based on publicly available information, there are no other persons holding more than 3% interests in the company.

Note 28: Ultimate beneficial owner: Jiangsu Communications Holding Company Limited (92.32%), Xuzhou State-owned Assets Supervision and Administration Commission (4.75%), the Department of Finance of Jiangsu Provincial (0.53%) and Lianyungang State-owned Assets Supervision and Administration Commission (2.4%).

VIII. ARRANGEMENTS FOR ASSUMPTION OF GUARANTEE OBLIGATIONS

As of the date of this announcement, the total outstanding balance of the 68 loans maturing after 31 December 2026 is RMB4,699,325,000, the current annual interest rate ranges from 2.15% to 2.7%, and the annual interest is approximately RMB111,994,100. The details are set out in the table below:

No.	Credit/Lending Institution	Drawdown Date	Maturity Date	Loan Amount *(RMB0,000)*	Outstanding Balance as of the announcement date *(RMB0,000)*	Guarantee Method
1	China Construction Bank Corporation	31/07/2018	30/07/2038	10,000.00	9,400.00	Guarantee + Pledge
2	China Construction Bank Corporation	5/11/2020	30/07/2038	10,000.00	10,000.00	Guarantee + Pledge
3	China Construction Bank Corporation	1/02/2021	30/07/2038	15,000.00	15,000.00	Guarantee + Pledge
4	China Construction Bank Corporation	16/07/2021	30/07/2038	10,000.00	10,000.00	Guarantee + Pledge
5	China Construction Bank Corporation	18/08/2021	30/07/2038	6,000.00	6,000.00	Guarantee + Pledge
6	China Construction Bank Corporation	18/08/2021	30/07/2038	9,000.00	9,000.00	Guarantee + Pledge
7	China Construction Bank Corporation	3/12/2021	30/07/2038	2,800.00	2,800.00	Guarantee + Pledge
8	China Construction Bank Corporation	3/12/2021	30/07/2038	4,200.00	4,200.00	Guarantee + Pledge
9	China Construction Bank Corporation	25/02/2022	30/07/2038	5,000.00	5,000.00	Guarantee + Pledge
10	Industrial and Commercial Bank of China Limited, Nanjing Chengnan Sub-branch	12/11/2018	23/07/2041	100.00	100.00	Guarantee + Pledge
11	Industrial and Commercial Bank of China Limited, Nanjing Chengnan Sub-branch	26/11/2020	23/07/2041	25,000.00	25,000.00	Guarantee + Pledge
12	Industrial and Commercial Bank of China Limited, Nanjing Chengnan Sub-branch	14/01/2022	22/07/2039	5,000.00	5,000.00	Guarantee + Pledge

No.	Credit/Lending Institution	Drawdown Date	Maturity Date	Loan Amount *(RMB0,000)*	Outstanding Balance as of the announcement date *(RMB0,000)*	Guarantee Method
13	Bank of Communications Co., Ltd., Jiangsu Branch	31/08/2018	30/12/2036	5,000.00	4,512.50	Guarantee + Pledge
14	Bank of Communications Co., Ltd., Jiangsu Branch	20/11/2020	30/12/2036	10,000.00	9,025.00	Guarantee + Pledge
15	Bank of Communications Co., Ltd., Jiangsu Branch	16/07/2021	30/12/2036	5,000.00	4,512.50	Guarantee + Pledge
16	Bank of Communications Co., Ltd., Jiangsu Branch	19/08/2021	30/12/2036	10,000.00	9,025.00	Guarantee + Pledge
17	Bank of Communications Co., Ltd., Jiangsu Branch	24/12/2021	30/12/2036	8,000.00	7,220.00	Guarantee + Pledge
18	Bank of Communications Co., Ltd., Jiangsu Branch	13/01/2022	30/12/2036	5,000.00	4,512.50	Guarantee + Pledge
19	Bank of Communications Co., Ltd., Jiangsu Branch	25/02/2022	30/12/2036	10,000.00	9,025.00	Guarantee + Pledge
20	Bank of Communications Co., Ltd., Jiangsu Branch	11/05/2022	30/12/2036	5,000.00	4,512.50	Guarantee + Pledge
21	Bank of Communications Co., Ltd., Jiangsu Branch	17/10/2023	16/10/2028	20,000.00	18,087.50	Guarantee + Pledge
22	China Development Bank Jiangsu Branch	27/07/2018	26/07/2040	20,000.00	1,000.00	Guarantee + Pledge
23	China Development Bank Jiangsu Branch	29/08/2018	26/07/2040	30,000.00	30,000.00	Guarantee + Pledge
24	China Development Bank Jiangsu Branch	2/01/2020	26/07/2040	20,000.00	20,000.00	Guarantee + Pledge
25	China Development Bank Jiangsu Branch	19/01/2021	26/07/2040	20,000.00	20,000.00	Guarantee + Pledge
26	China Development Bank Jiangsu Branch	22/06/2021	26/07/2040	10,000.00	10,000.00	Guarantee + Pledge
27	China Development Bank Jiangsu Branch	13/01/2022	26/07/2040	10,000.00	10,000.00	Guarantee + Pledge
28	China Merchants Bank Co., Ltd., Nanjing Branch	19/06/2019	2/08/2038	10,000.00	9,600.00	Guarantee + Pledge

No.	Credit/Lending Institution	Drawdown Date	Maturity Date	Loan Amount (RMB0,000)	Outstanding Balance as of the announcement date (RMB0,000)	Guarantee Method
29	China Merchants Bank Co., Ltd., Nanjing Branch	24/06/2021	2/08/2038	15,000.00	14,400.00	Guarantee + Pledge
30	Bank of China Limited, Jiangsu Branch	31/08/2018	21/12/2035	5,000.00	4,166.67	Guarantee + Pledge
31	Bank of China Limited, Jiangsu Branch	23/11/2020	21/12/2035	10,000.00	8,333.33	Guarantee + Pledge
32	Bank of China Limited, Jiangsu Branch	20/01/2021	21/12/2035	25,000.00	20,833.33	Guarantee + Pledge
33	Bank of China Limited, Jiangsu Branch	5/11/2021	21/12/2035	10,000.00	8,333.33	Guarantee + Pledge
34	Bank of China Limited, Jiangsu Branch	28/12/2021	21/12/2035	5,000.00	4,166.67	Guarantee + Pledge
35	Bank of China Limited, Jiangsu Branch	26/05/2022	21/12/2035	5,000.00	4,166.66	Guarantee + Pledge
36	Agricultural Bank of China Limited	18/06/2019	15/11/2036	1,000.00	1,000.00	Guarantee + Pledge
37	Agricultural Bank of China Limited	25/12/2019	15/05/2027	20,000.00	5,000.00	Guarantee + Pledge
38	Agricultural Bank of China Limited	2/01/2020	15/05/2027	10,000.00	10,000.00	Guarantee + Pledge
39	Agricultural Bank of China Limited	19/11/2020	15/05/2027	6,000.00	6,000.00	Guarantee + Pledge
40	Agricultural Bank of China Limited	19/11/2020	15/05/2028	7,750.00	7,750.00	Guarantee + Pledge
41	Agricultural Bank of China Limited	19/11/2020	15/11/2028	2,250.00	2,250.00	Guarantee + Pledge
42	Agricultural Bank of China Limited	15/01/2021	15/05/2027	1,500.00	1,500.00	Guarantee + Pledge
43	Agricultural Bank of China Limited	15/01/2021	15/11/2027	7,500.00	7,500.00	Guarantee + Pledge
44	Agricultural Bank of China Limited	15/01/2021	15/05/2028	8,750.00	8,750.00	Guarantee + Pledge

No.	Credit/Lending Institution	Drawdown Date	Maturity Date	Loan Amount *(RMB0,000)*	Outstanding Balance as of the announcement date *(RMB0,000)*	Guarantee Method
45	Agricultural Bank of China Limited	15/01/2021	15/11/2028	8,750.00	8,750.00	Guarantee + Pledge
46	Agricultural Bank of China Limited	15/01/2021	15/05/2029	3,500.00	3,500.00	Guarantee + Pledge
47	Agricultural Bank of China Limited	31/01/2021	15/05/2029	3,500.00	3,500.00	Guarantee + Pledge
48	Agricultural Bank of China Limited	1/02/2021	15/11/2028	6,500.00	6,500.00	Guarantee + Pledge
49	Agricultural Bank of China Limited	15/07/2021	15/05/2029	5,000.00	5,000.00	Guarantee + Pledge
50	Agricultural Bank of China Limited	19/08/2021	15/05/2029	250.00	250.00	Guarantee + Pledge
51	Agricultural Bank of China Limited	19/08/2021	15/11/2029	4,750.00	4,750.00	Guarantee + Pledge
52	Agricultural Bank of China Limited	19/08/2021	15/05/2029	5,000.00	5,000.00	Guarantee + Pledge
53	Agricultural Bank of China Limited	26/10/2021	15/11/2029	4,000.00	4,000.00	Guarantee + Pledge
54	Agricultural Bank of China Limited	26/10/2021	15/05/2030	1,000.00	1,000.00	Guarantee + Pledge
55	Agricultural Bank of China Limited	26/10/2021	15/05/2029	250.00	250.00	Guarantee + Pledge
56	Agricultural Bank of China Limited	26/10/2021	15/11/2029	5,750.00	5,750.00	Guarantee + Pledge
57	Agricultural Bank of China Limited	2/12/2021	15/05/2030	3,000.00	3,000.00	Guarantee + Pledge
58	Agricultural Bank of China Limited	2/12/2021	15/11/2029	3,000.00	3,000.00	Guarantee + Pledge
59	Agricultural Bank of China Limited	2/12/2021	15/05/2030	4,000.00	4,000.00	Guarantee + Pledge
60	Agricultural Bank of China Limited	24/12/2021	15/05/2030	4,000.00	4,000.00	Guarantee + Pledge

No.	Credit/Lending Institution	Drawdown Date	Maturity Date	Loan Amount	Outstanding Balance as of the announcement date	Guarantee Method
				(RMB0,000)	*(RMB0,000)*	
61	Agricultural Bank of China Limited	24/12/2021	15/05/2030	6,000.00	6,000.00	Guarantee + Pledge
62	Agricultural Bank of China Limited	15/01/2022	15/05/2030	2,250.00	2,250.00	Guarantee + Pledge
63	Agricultural Bank of China Limited	15/01/2022	15/11/2030	2,750.00	2,750.00	Guarantee + Pledge
64	Agricultural Bank of China Limited	14/01/2022	15/05/2030	2,250.00	2,250.00	Guarantee + Pledge
65	Agricultural Bank of China Limited	14/01/2022	15/11/2030	2,750.00	2,750.00	Guarantee + Pledge
66	Agricultural Bank of China Limited	26/02/2022	15/11/2030	2,000.00	2,000.00	Guarantee + Pledge
67	Agricultural Bank of China Limited	26/02/2022	15/11/2030	500.00	500.00	Guarantee + Pledge
68	Agricultural Bank of China Limited	25/02/2022	15/11/2030	2,500.00	2,500.00	Guarantee + Pledge

Pursuant to the Equity Transfer Agreement, from the Completion Date, Transferor 1 (Jiangsu Communications Holding) shall continue to bear the guarantee obligations it has assumed regarding the debts of the Target Company. If such debts of the Target Company remain outstanding after 31 December 2026, then, subject to the creditors' consent, the Transferee shall assume Transferor 1's guarantee obligations since 1 January 2027; alternatively, the Target Company, Transferor 1, and the Transferee may actively explore other feasible ways to modify or release Transferor 1 from such guarantee obligations through other means. Accordingly, pursuant to the Equity Transfer Agreement, since 1 January 2027, the Company shall replace Jiangsu Communications Holding as guarantor for the aforementioned loans (with the aggregate of outstanding loan balances and one year's interest amounting to RMB4,811,319,100) and shall assume the guarantee originally undertaken by Jiangsu Communications Holding under the aforementioned loan agreements.

Pursuant to Article 10.3 of the Company's Articles of Association, the Company's assumption of such guarantee is subject to approval by the general meeting.

IX. LISTING RULES IMPLICATIONS

Shanghai Listing Rules

Acquisition of 100% equity interests in Suxichang South Expressway Company

According to Article 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the "**Shanghai Listing Rules**"), as the counterparty of this transaction is Jiangsu Communications Holding (the controlling shareholder of the Company) is a related party, this transaction constitutes a related party transaction. Pursuant to the requirements of Articles 6.3.7 and 6.3.9 of the Shanghai Listing Rules, as the total amount of this transaction is higher than 5% of the absolute value of the Company's latest audited net assets, this transaction shall be submitted to the general meeting for approval where Jiangsu Communications Holding (as a related shareholder) is required to abstain from voting.

The related party transaction does not constitute a major asset reorganization and does not involve the transfer of liabilities as stipulated in the Measures for the Administration of Major Asset Restructuring of Listed Companies.

Loan provided by Jiangsu Communications Holding Group to Suxichang South Expressway Company

The provision of a loan by Jiangsu Communications Holding to Suxichang South Expressway Company will constitute a related party transaction of the Company. In accordance with Rule 6.3.18(2) of the Shanghai Listing Rules, the interest rate of the loan provided by Jiangsu Communications Holding is not higher than the interest rate quoted in loan markets, and the listed company is not required to provide guarantee/security and is therefore exempt from the approval and disclosure requirements of the related parties transactions.

Guarantee provided by Jiangsu Communications Holding Group to Suxichang South Expressway Company

The guarantee provided by Jiangsu Communications Holding to the Suxichang South Expressway Company will constitute a related-party transaction for the Company. In accordance with Rule 6.3.18(1) of the Shanghai Listing Rules, as the Company accepts the guarantee provided by Jiangsu Communications Holding without consideration, this transaction is free of any obligations and is therefore exempt from the requirements for deliberation and disclosure as a related-party transaction.

Ordinary related party transactions after Completion

Since the counterparties of the above items no 1 to 17 and the Company are under the common control of 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 accounts for less than 0.5% of the latest audited absolute value of the net assets of the Company, the related party transactions are not subject to any disclosure requirements.

Hong Kong Listing Rules

Acquisition of 100% equity interests in Suxichang South Expressway Company

As Jiangsu Communications Holding is the controlling shareholder of the Company, it is a connected person of the Company pursuant to Rule 14A.07(1) of the Hong Kong Listing Rules. The Company's acquisition of 65% of the equity interest in Suxichang South Expressway Company held by Jiangsu Communications Holding pursuant to the Equity Transfer Agreement constitutes a connected transaction of the Company.

Pursuant to Rule 14A.28(1) of the Hong Kong Listing Rules, at the time the Company entered into the Equity Transfer Agreement with Wuxi Transportation and Changzhou Communications Holding, Jiangsu Communications Holding still held the equity interest in the Suxichang South Expressway Company; therefore, the Company's acquisition of 22.82% and 12.18% of the equity interests in the Suxichang South Expressway Company from Wuxi Transportation and Changzhou Communications Holding, respectively, constitutes connected transactions for the Company.

As the highest applicable percentage ratio calculated according to Rule 14.07 of the Hong Kong Listing Rules for the consideration of the Acquisition together with the amount of Jiangsu Communications Holding's guarantees expected to be assumed by the Company pursuant to the Equity Transfer Agreement (aggregated pursuant to Rule 14.15(3) of the Hong Kong Listing Rules) exceeds 5% but does not exceed 25%, the Acquisition also constitutes a discloseable transaction of the Company, but does not constitute a major transaction under Chapter 14 of the Listing Rules. As such, the Acquisition is subject to the announcement, circular and independent shareholders' approval requirements under Rules 14.33, 14A.35, 14A.36 and 14A.46 of the Hong Kong Listing Rules.

Continuing Connected Transactions after Completion

As the counterparties of the continuing transactions items no 1-19 above are Jiangsu Communications Holding and/or its associates, they are also connected persons of the Company pursuant to Rules 14A.07(4) and 14A.13(1) or 14A.13(3) of the Hong Kong Listing Rules. Such transactions constitute continuing connected transactions of the Company after Completion.

In respect of the continuing connected transactions items no 1-12 above, as the highest percentage ratios in respect of the estimated total amounts (when aggregated with other continuing connected transactions of similar nature and type as those of the Group) all exceed 0.1% but are less than 5% calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules and such transactions are conducted on normal commercial terms or better, therefore these continuing connected transactions are only subject to the announcement requirement but are exempt from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Hong Kong Listing Rules. These transactions shall also be subject to the annual review requirements under the Rule 14A.55 to Rule 14A.59 of the Hong Kong Listing Rules.

In respect of the remaining continuing connected transactions items no 13-17 above, as all the applicable percentage ratios in respect of the estimated total amounts (when aggregated with any other continuing connected transactions of similar nature and type as those of the Group) are less than 0.1% calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules, and such transactions are conducted on normal commercial terms or better, such transactions are fully exempt from continuing connected transaction requirements pursuant to Rule 14A.76(1) (a) of the Hong Kong Listing Rules.

The continuing connected transactions items no 18 and 19 relate to financial assistance received by Suxichang South Expressway Company from Jiangsu Communications Holding and its associate (being connected persons of the Company). Such assistance is provided on normal commercial terms or better, and the Group will not provide any security over its assets in respect of such assistance. Pursuant to Rule 14A.90 of the Hong Kong Listing Rules, they are fully exempt from disclosure requirements for the continuing connected transaction.

The Company (with the approval of the Independent Board Committee, comprising of all the independent non-executive directors of the Company) has appointed Somerley Capital Limited as the independent financial adviser to provide advice to the Independent Board Committee and independent shareholders on the Acquisition. It is expected that a circular containing, among other things, details of the Acquisition and other information required by the Hong Kong Listing Rules will be despatched to H shareholders within 15 business days after the publication of this announcement (i.e. on or before 18 September 2026).

X. REVIEW PROCEDURES PERFORMED AND TO BE PERFORMED ON THIS TRANSACTION

The resolutions concerning the related-party/connected transactions (being the Acquisition, the arrangements for assumption of guarantee obligations, and the continuing connected transactions after Completion) have been considered and approved at the 24th Meeting of the Eleven Session of the board of directors of the Company, and related/connected directors Mr. Wang Yingjian and Ms. Zhou Lili (both as employees of Jiangsu Communications Holding) have abstained from voting.

The Acquisition and the arrangements for assumption of guarantee obligations have to be submitted to the general meeting of the Company for consideration and approval, at which Jiangsu Communications Holding and its associates holding 2,914,488,825 shares of the Company are required to abstain from voting.

The five independent directors of the Company have issued prior approval opinion and agreed to submit the connected/related party transaction proposal to the 24th Meeting of the Eleven Session of the board of directors of the Company for consideration.

Based on the requirements of the strategic development plan, the Company continuously improves the Company's comprehensive profitability and core competitiveness, which is conducive to the Company's long-term development and is in line with the Company's overall interests. The terms are on general commercial terms. The transaction price was fair and reasonable, and had no adverse impact on the Company. There was no situation that would harm the interests of the Company and all shareholders, especially minority shareholders.

Set out below are the independent opinions expressed when the Acquisition was considered at the board meeting:

(i) A qualified valuation institution that meets the requirements of the Securities Law has been engaged by the Company to conduct an appraisal of the transaction subject and such valuation institution is fully independent; (ii) The income approach was adopted as the result of the valuation for the transaction. Such valuation method is appropriate to the characteristics of the industry in which the Target Company operates and is in compliance with the requirements of relevant laws and regulations. The assumptions and premises of the valuation is reasonable, the selection of the valuation method is appropriate and the selection of the valuation parameters are reasonable; (iii) The price of the transaction was determined on the basis of the evaluation results of a qualified asset valuation institution that meets the requirements of the Securities Law. The transaction pricing is objective and fair, the transaction is fair and conforms to the interests of the Company and its shareholders, without prejudice to the interests of non-related shareholders, in particular the minority shareholders; (iv) The content and decision-making procedures of the related party transaction are legal and in compliance with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant laws and regulations as well as the Articles of Association of the Company. When the Board of Directors of the Company voted on the related party transaction, the related directors abstained from voting and other non-related directors voted in favour of the related party transaction proposal, and therefore the voting procedures were in compliance with the provisions of relevant laws and regulations.

The audit committee of the Company issued a written review opinion on the proposal concerning this related party/connected transaction as follows:

Necessary audit, evaluation and other procedures have been performed in respect of the Acquisition. The transaction consideration is determined through negotiation based on the valuation results. The pricing is objective, fair and reasonable, and does not involve any situation that damages the interests of shareholders. We agree to submit the above related party transaction proposal to the 24th Meeting of the Eleven Session of the board of directors of the Company for consideration. The transactions are also subject to the approval of shareholders at general meeting, and Jiangsu Communications Holding, a related/connected party to the related party/connected transaction, shall abstain from exercising the right to vote on the proposal at the general meeting.

The loans from Jiangsu Communications Holding and the guarantees provided by Jiangsu Communications Holding, the related party/connected transactions upon Completion fall within the ambit of ordinary business contracts of the Company. The prices of the contracts 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 persons of the Group. Meanwhile, by leveraging on synergies derived from the businesses of the internal related companies of the Group, the Company can further save its management costs and improve its management efficiency to ensure effective operation of its principal businesses. The income and profit of the Company are not dependent on such related party/connected transactions and 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.

Taking into account the above factors, the directors of the Company (including the independent non-executive directors) are of the view that:

1. The terms of the Acquisition (including the consideration for the transfer) are fair and reasonable and in the interests of the Company and the shareholders as a whole. The subject matter of this transaction has been evaluated by an independent valuation agency with professional qualifications. The valuation method, valuation assumptions and other important valuation parameters are reasonable. The transaction does not harm the interests of the Company and all shareholders, especially the minority shareholders.

2. The loan from Jiangsu Communications Holding and the guarantees provided by Jiangsu Communications Holding, the related party transactions/continuing connected transactions upon Completion fall within the ambit of ordinary business contracts of the Company. The prices of the contracts 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/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 save its management costs and improve its management efficiency to ensure effective operation of its principal businesses. The income and profit of the Company are not dependent on such related party/connected transactions and 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 are conducted in the ordinary and usual course of business of the Company, on normal commercial terms and the terms of the transactions are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Certain conditions precedent must be satisfied prior to completion of the Acquisition, and therefore the Acquisition may or may not proceed. All estimates, assumptions, targets, projections and other forward-looking statements made or provided by the Company or its directors in this announcement are based on certain assumptions. These statements by their nature are subject to risks and uncertainties and therefore cannot be used as guarantees of future performance and development. In view of this, the Company's shareholders and potential investors should exercise caution when dealing in the Company's securities.

Documents available for inspection:

1. **Suxichang South Expressway Company's financial accounting reports for the latest year and the latest period audited by an accounting firm (for details, please refer to the document published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Shanghai Stock Exchange (www.sse.com.cn) by the Company on 21 August 2026 and 22 August 2026.)**

By Order of the Board
Wang Feng
Chairman

Nanjing, the PRC, 28 August 2026

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

Wang Feng△, Wang Yingjian#, Zhou Lili#, Zhang Xinyu#^, Yang Shaojun#, Liu Gang#, Ma Chung Lai, Lawrence#, Ge Yang, Xu Guanghua*, Gu Zhaoyang*, Tan Shijun*, Sun Lijun**

△ *Executive Director*
Non-executive Directors
* *Independent Non-executive Directors*
^ *Employees' Representative Director*