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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 0576)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF 7.6933%
EQUITY INTEREST IN THE TARGET COMPANY
BY ZHESHANG SECURITIES**

PREVIOUS ACQUISITIONS

Reference is made to the Previous Announcements in relation to a series of equity transfer agreements for the Previous Acquisitions where Zheshang Securities acquired 1,116,177,154 shares of the Target Company, representing 19.1454% equity interest in the Target Company, at an aggregate consideration of RMB2,983,541,532.64. Please refer to the Previous Announcements for more details of the Previous Acquisitions.

THE ACQUISITION

On May 27, 2024, Zheshang Securities, a non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor in relation to the sale and purchase of the Sale Shares at the consideration of RMB1,009,441,300.

Upon completion of the Previous Acquisitions and the Acquisition, Zheshang Securities shall hold an aggregate of 1,564,693,728 shares of the Target Company, representing 26.8387% equity interest in the Target Company. From the accounting perspective, the Company will not consolidate the financial performance of the Target Company into its financial statement upon Completion.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules, the transaction contemplated under the Acquisition shall be aggregated with the Previous Acquisitions since they are all completed within a 12-month period and involve the acquisitions of the equity interest in one particular company (i.e. the Target Company), thus the Acquisition and the Previous Acquisitions shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of the transactions thereunder.

As the highest percentage ratio applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) in respect of the Acquisition and the Previous Acquisitions on an aggregate basis is higher than 5% but less than 25%, the Acquisition on an aggregate basis constitutes a discloseable transaction under Chapter 14 of the Listing Rules, subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement.

Shareholders and potential investors of the Company should be aware that the Completion is subject to certain conditions being satisfied, and consequently the Acquisition may or may not be completed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE EQUITY TRANSFER AGREEMENT

The major terms of the Equity Transfer Agreement are as follows:

Date	May 27, 2024
Parties	Zheshang Securities (as purchaser) Vendor (as the vendor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.

Subject Matter

The Sale Shares to be acquired by Zheshang Securities are 448,516,574 shares of the Target Company, representing 7.6933% equity interest in the Target Company.

The Consideration

The consideration for the sale and purchase of the Sale Shares amounts to RMB1,009,441,300, being the bidding winning price of the Sale Shares, which was reached through public listing for-sale process on SUAEE in accordance with the relevant laws and regulations of the PRC. The bidding price by Zheshang Securities for the Sale Shares was determined after taking into account the appraised value of the shareholders' interest in the Target Company. Details of such valuation are set out in the Previous Announcements.

Zheshang Securities will finance the consideration of the Acquisition by its internal resources.

Payment Terms

The consideration for the Acquisition shall be paid by Zheshang Securities in the following manner:

- (i) a security deposit of RMB100,000,000 has been paid by Zheshang Securities to SUAEE according to its bidding procedure prior to the execution of the Equity Transfer Agreement, and such deposit shall constitute part of the consideration; and
- (ii) within five Business Days upon CSRC having approved the Acquisition and the NEEQ Co having issued a compliance confirmation letter regarding the Acquisition, Zheshang Securities shall pay the remaining balance of RMB909,441,300 into the bank account designated by SUAEE.

The above consideration shall be paid to the designated bank account of SUAEE. Within 3 Business Days from the date of payment, SUAEE shall issue a transaction certificate. Within 3 Business Days after SUAEE has completed the equity interest transfer registration procedures for the subject matter of the Acquisition through CSDC, SUAEE shall pay the full amount to the account designated by the Vendor.

Completion

Within ten Business Days from the date of approval of the Acquisition by CSRC, Zheshang Securities and the Vendor shall cooperate to submit the compliance confirmation application documents to NEEQ Co in accordance with relevant laws and regulations.

Within five Business Days from the date when Zheshang Securities and the Vendor jointly receive the compliance confirmation letter regarding the Acquisition issued by NEEQ Co, they shall register the Sale Shares to Zheshang Securities with the CSDC.

INFORMATION ON THE PARTIES

The Company is a joint stock limited company established under the laws of the PRC on March 1, 1997, the H Shares of which are listed on the Main Board of the Stock Exchange. It is principally engaged in investing in, developing and operating high-grade roads in the PRC. The Group also carries on securities and financial businesses through Zheshang Securities.

Zheshang Securities is a joint stock limited company established under the laws of the PRC on May 9, 2002, the shares of which were listed on the Shanghai Stock Exchange on June 26, 2017 (stock code: 601878). It is principally engaged in the provision of securities and financial services, including but not limited to brokerage business, investment banking business, asset management business, as well as margin financing business.

The Target Company is a joint stock limited company established under the laws of the PRC on December 28, 2001 and quoted on the NEEQ (NEEQ stock code: 870488). The Target Company is principally engaged in securities brokerage, securities underwriting and sponsorship, futures intermediate, margin financing and other securities and financial services.

The Vendor is a limited liability company established in the PRC on March 18, 1998 and is principally engaged in power generation, power transmission and power distribution and supply businesses. The Vendor is wholly owned by National Energy Investment Group Co., Ltd.* (國家能源投資集團有限責任公司), which in turn is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

FINANCIAL INFORMATION OF THE TARGET COMPANY

As set out in the Previous Announcements, the appraised value of 100% shareholders' interest of the Target Company as at October 31, 2023 was approximately RMB15,826 million. The audited net asset value of the Target Company as at December 31, 2023 was approximately RMB10,865 million. The audited net profit before and after taxation of the Target Company for the two years ended December 31, 2023 and 2022 are set out below:

	Year Ended December 31, 2023 <i>(RMB million)</i> <i>(approximately)</i>	Year Ended December 31, 2022 <i>(RMB million)</i> <i>(approximately)</i>
Net profits before taxation	737.95	274.77
Net profits after taxation	714.43	333.53

Upon completion of the Previous Acquisitions and the Acquisition, Zheshang Securities shall hold an aggregate of 1,564,693,728 shares of the Target Company, representing 26.8387% equity interest in the Target Company. From the accounting perspective, the Company will not consolidate the financial performance of the Target Company into its financial statement upon Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Zheshang Securities is principally engaged in the provision of securities and financial services, including but not limited to brokerage business, investment banking business, asset management business, as well as margin financing business. Further to the Previous Acquisitions, the Acquisition aligns with the long-term development plan of Zheshang Securities to strengthen its position and move into the top tier through strategic mergers and acquisitions. The Acquisition of the Target Company, which possesses established branches and quality assets, will enable Zheshang Securities to further expand its operations, significantly increase its branch network, and enhance performance and competitiveness. By filling the gaps in its business portfolio, obtaining a public fund management license, and reinforcing its core indicators, Zheshang Securities expects to elevate its industry standing, enhance brand value and accelerate its progress towards becoming a top-tier player in the industry.

After full due diligence and careful consideration of the information relating to Target Company including its business model, financial performance and business prospects, the Directors hold positive views towards the prospects of the Target Company and are of the view that the Acquisition, alongside the Previous Acquisitions, will provide the Group with a good investment opportunity to expand its investment portfolio with quality securities licenses. Meanwhile, it is envisaged that the overall competitiveness and profitability of the Group will be further enhanced through the synergetic effect resulting from the Acquisition. Zheshang Securities has a sound governance structure and a comprehensive compliance and risk control system, which will benefit the Target Company by enhancing its compliance and risk control system and thereby strengthening the sustainable development and performance of the Target Company.

Given the above, the Directors are of the opinion that the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules, the transaction contemplated under the Acquisition shall be aggregated with the Previous Acquisitions since they are all completed within a 12-month period and involve the acquisitions of the equity interest in one particular company (i.e. the Target Company), thus the Acquisition and the Previous Acquisitions shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of the transactions thereunder.

As the highest percentage ratio applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) in respect of the Acquisition and the Previous Acquisitions on an aggregate basis is higher than 5% but less than 25%, the Acquisition on an aggregate basis constitutes a discloseable transaction under Chapter 14 of the Listing Rules, subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement.

Shareholders and potential investors of the Company should be aware that the Completion is subject to certain conditions being satisfied, and consequently the Acquisition may or may not be completed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares under the Equity Transfer Agreement
“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which licensed banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Company”	Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), a joint stock limited company established in the PRC on March 1, 1997, whose H Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement dated May 27, 2024 entered into between Zheshang Securities and the Vendor in relation to the Sale Shares
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign shares of RMB1.00 each in the share capital of the Company which were listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“NEEQ Co”	National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司)
“percentage ratio”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Acquisitions”	the acquisitions by Zheshang Securities of an aggregate 19.1454% equity interest in the Target Company under a series of equity transfer agreements dated March 29, 2024 as set out in the Previous Announcements
“Previous Announcements”	the announcement and the supplemental announcement of the Company dated March 29, 2024 and April 16, 2024 respectively in relation to Previous Acquisitions
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	448,516,574 shares of the Target Company to be sold by the Vendor under the Equity Transfer Agreement, representing 7.6933% equity interest in the Target Company as at the date of this announcement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAEE”	Shanghai United Assets and Equity Exchange Co., Ltd. (上海聯合產權交易所有限公司), a comprehensive property right exchange approved to be established by the Municipal People’s Government of Shanghai

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Guodu Securities Co., Ltd.* (國都證券股份有限公司), a joint stock limited company established under the laws of the PRC on December 28, 2001 and quoted on the NEEQ (NEEQ stock code: 870488)
“Vendor”	Guohua Energy Investment Co., Ltd.* (國華能源投資有限公司), a company established in the PRC with limited liability
“Zheshang Securities”	Zheshang Securities Co., Ltd.* (浙商證券股份有限公司), a joint stock limited company established under the laws of the PRC on May 9, 2002, the shares of which were listed on the Shanghai Stock Exchange on June 26, 2017 (stock code: 601878)
“%”	per cent.

* For identification purposes only.

On behalf of the Board of Directors
Zhejiang Expressway Co., Ltd.
YUAN Yingjie
Chairman

Hangzhou, the PRC, May 27, 2024

As at the date of this announcement, the Chairman of the Company is Mr. YUAN Yingjie; the executive Directors of the Company are: Mr. WU Wei and Mr. LI Wei; the other non-executive Directors of the Company are: Mr. YANG Xudong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.