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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 ACQUISITIONS OF 7.4159% EQUITY INTEREST
IN THE TARGET COMPANY BY ZHESHANG SECURITIES**

PREVIOUS ACQUISITIONS

References are made to the Previous Announcements in relation to a series of equity transfer agreements for the Previous Acquisitions where Zheshang Securities acquired an aggregate of 1,564,693,728 shares of the Target Company, representing 26.8387% equity interest in the Target Company. Please refer to the Previous Announcements for more details of the Previous Acquisitions.

THE ACQUISITIONS

On June 7, 2024, Zheshang Securities, a non-wholly owned subsidiary of the Company, entered into (i) the Tongfang Innovation Investment Equity Transfer Agreement with Tongfang Innovation Investment in relation to the sale and purchase of 346,986,620 shares of the Target Company, representing 5.9517% equity interest in the Target Company at the consideration of RMB910,839,900; and (ii) the Jiarong Investment Equity Transfer Agreement with Jiarong Investment in relation to the sale and purchase of 85,362,777 shares of the Target Company, representing 1.4642% equity interest in the Target Company at the consideration of RMB224,077,300.

Upon completion of the Previous Acquisitions and the Acquisitions, Zheshang Securities shall hold an aggregate of 1,997,043,125 shares of the Target Company, representing 34.2546% equity interest in the Target Company. From the accounting perspective, upon satisfaction of certain conditions, the Company may consolidate the financial performance of the Target Company into its financial statement upon completion of the Previous Acquisitions and the Acquisitions.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules, the transactions contemplated under the Acquisitions 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 Acquisitions 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 applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) in respect of the Acquisitions and the Previous Acquisitions on an aggregate basis is higher than 5% but less than 25%, the Acquisitions on an aggregate basis constitute discloseable transactions 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 of the Acquisitions is subject to certain conditions being satisfied, and consequently the Acquisitions 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 AGREEMENTS

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

Date	June 7, 2024
Parties	Zheshang Securities (as purchaser) Tongfang Innovation Investment / Jiarong Investment (as vendors)

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

Subject Matter and Consideration

The Sale Shares to be acquired by Zheshang Securities are an aggregate of 432,349,397 shares of the Target Company, representing in aggregate 7.4159% equity interest in the Target Company at the total consideration of RMB1,134,917,200, which comprise:

- (i) 346,986,620 share of the Target Company, representing 5.9517% equity interest in the Target Company from Tongfang Innovation Investment at the consideration of RMB910,839,900; and
- (ii) 85,362,777 shares of the Target Company, representing 1.4642% equity interest in the Target Company from Jiarong Investment at the consideration of RMB224,077,300.

Basis of Consideration

The considerations for the sale and purchase of the Sale Shares, being the final bidding price of the Sale Shares, were reached through public listing for-sale process on CBEX 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 considerations of the Acquisitions by its internal resources.

Payment Terms

The consideration under each of the Equity Transfer Agreements shall be paid by Zheshang Securities in the following manner:

- (i) a security deposit of RMB100,000,000 under the Tongfang Innovation Investment Equity Transfer Agreement and a security deposit of RMB20,000,000 under the Jiarong Investment Equity Transfer Agreement have been paid by Zheshang Securities to CBEX for the purpose of the Acquisitions respectively according to its bidding procedure prior to the execution of the Equity Transfer Agreements, and such deposits shall constitute part of the consideration; and
- (ii) within three Business Days from approval of the Acquisition by CSRC, Zheshang Securities shall pay the remaining balance, being RMB810,839,900 under the Tongfang Innovation Investment Equity Transfer Agreement and/or RMB204,077,300 under the Jiarong Investment Equity Transfer Agreement, into the relevant bank account designated by CBEX.

Within one Business Day after completion of the equity interest transfer registration for subject matter of the Acquisition through CSDC, CBEX shall pay the full amount to the account designated by the Vendor.

Completion

Parties to each of the Equity Transfer Agreements shall actively cooperate in preparing the application documents to CSRC for approval of the Acquisitions. Within five Business Days after the Target Company receives the information submitted by the Zheshang Securities, Zheshang Securities and the Vendors shall procure the Target Company to submit the relevant documents for approval by the approving authority.

Within ten Business Days after obtaining approval of the Acquisition by the approving authority, Zheshang Securities and the Vendor shall apply for transfer by agreement to NEEQ Co.

Within five Business Days from the date after obtaining the transfer confirmation letter issued by NEEQ Co, Zheshang Securities and the Vendor shall go to CSDC to handle the transfer registration for the relevant Sale Shares.

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.

Tongfang Innovation Investment is a limited liability company established in the PRC on May 7, 1999 and is principally engaged in technology development, transfer, consultation and service and investment of high and new technology projects. Tongfang Innovation Investment is wholly owned by Tongfang Co., Ltd.* (同方股份有限公司) (“**Tongfang Stock**”). The single largest shareholder of Tongfang Stock, holding 30.38% equity interest in Tongfang Stock, is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council.

Jiarong Investment is a limited liability company established in the PRC on May 27, 2002 and is principally engaged in industrial investment, venture capital investment, investment management and investment consulting. The single largest shareholder of Jiarong Investment is Tongfang Stock, which holds 50% equity interest in Jiarong Investment.

To the best of the Directors’ knowledge, information and belief and after making all reasonable enquiries, the Vendors and their 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 Acquisitions, Zheshang Securities shall hold an aggregate of 1,997,043,125 shares of the Target Company, representing 34.2546% equity interest in the Target Company. From the accounting perspective, upon satisfaction of certain conditions, the Company may consolidate the financial performance of the Target Company into its financial statement upon completion of the Previous Acquisitions and the Acquisitions.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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 Acquisitions align 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 Acquisitions 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 Acquisitions, 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 Acquisitions. 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 Acquisitions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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Shareholders and potential investors of the Company should be aware that the completion of the Acquisitions is subject to certain conditions being satisfied, and consequently the Acquisitions 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:

“Acquisitions”	the acquisitions of the Sale Shares under the Equity Transfer Agreements, and “Acquisition” refers to any one of them
“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
“CBEX”	China Beijing Equity Exchange Co., Ltd. (北京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 Beijing
“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 Agreements”	collectively the Tongfang Innovation Investment Equity Transfer Agreement and the Jiarong Investment Equity Transfer Agreement
“Group”	the Company and its subsidiaries

“H Shares”	the overseas listed foreign shares of RMB 1.00 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
“Jiarong Investment”	Jiarong Investment Co., Ltd.* (嘉融投資有限公司), a company established in the PRC with limited liability
“Jiarong Investment Equity Transfer Agreement”	the equity transfer agreement dated June 7, 2024 entered into between Zheshang Securities and the Jiarong Investment in relation to sale and purchase of 85,362,777 Sale Shares, representing 1.4642% of the equity interest in the Target Company
“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 26.8387% equity interest in the Target Company under a series of equity transfer agreements dated March 29, 2024 and May 27, 2024 respectively as set out in the Previous Announcements

“Previous Announcements”	the announcements and the supplemental announcement of the Company dated March 29, 2024, April 16, 2024 and May 27, 2024 respectively in relation to Previous Acquisitions
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	an aggregate of 432,349,397 shares of the Target Company to be acquired by Zheshang Securities from the Vendors respectively under the Equity Transfer Agreements, representing 7.4159% 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
“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)
“Tongfang Innovation Investment”	Tongfang Innovation Investment (Shenzhen) Co., Ltd.* (同方創新投資(深圳)有限公司), a company established in the PRC with limited liability
“Tongfang Innovation Investment Equity Transfer Agreement”	the equity transfer agreement dated June 7, 2024 entered into between Zheshang Securities and the Tongfang Innovation Investment in relation to sale and purchase of 346,986,620 Sale Shares, representing 5.9517% of the equity interest in the Target Company
“Vendors”	collectively Tongfang Innovation Investment and Jiarong Investment, and “Vendor” refers to any one of them

“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, June 7, 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.