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浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

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

(Stock code: 0576)

CONTINUING CONNECTED TRANSACTIONS ENTRUSTED MANAGEMENT AGREEMENTS

ENTRUSTED MANAGEMENT AGREEMENTS

On August 6, 2024, the Company entered into the Entrusted Management Agreements with several branch companies and subsidiaries of Communications Group, pursuant to which each of Shensuzhewan Branch, Ningbo Yongtaiwen Co, Jiaxiao Co, Santongdao South Connection Co, Hangxuan Co and North Channel Co shall entrust the Company to take over the operation and management of (i) Shensuzhewan Expressway; (ii) Ningbo Phase II of Yongtaiwen Expressway; (iii) North Line of Qianjiang Channel; (iv) South Line of Qianjiang Channel; (v) Linjian Expressway; and (vi) Zhoushan North Channel.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. As at the date of this announcement, Shensuzhewan Branch is a branch company of Communications Group; Ningbo Yongtaiwen Co is an approximately 80.45% owned subsidiary of Communications Group; Jiaxiao Co is a 70% owned subsidiary of Communications Group; Santongdao South Connection Co is a wholly owned subsidiary of Ningbo Yongtaiwen Co; Hangxuan Co is a wholly owned subsidiary of Communications Group and North Channel Co is a 60% owned subsidiary of Communications Group. Therefore, each of Shensuzhewan Branch, Ningbo Yongtaiwen Co, Jiaxiao Co, Santongdao South Connection Co, Hangxuan Co and North Channel Co is a connected person of the Company and as a result, the respective transactions contemplated under the Entrusted Management Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, the transactions contemplated under the Entrusted Management Agreements are required to be aggregated with the respective transactions under the Previous Agreements which were continuing connected transactions entered into with the associates of the same connected person (i.e. Communications Group) and are of the same nature.

As one or more of the percentage ratios in respect of the aggregated annual cap for transactions contemplated under the Entrusted Management Agreements and the respective transactions carried out on a continuing basis under the Previous Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Entrusted Management Agreements are subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE ENTRUSTED MANAGEMENT AGREEMENTS

Principal terms of the Entrusted Management Agreements are summarized as below:

Date: August 6, 2024

- Parties:
- (i) *In relation to Shensuzhewan Expressway:*
 - (1) Shensuzhewan Branch (as the principal); and
 - (2) the Company (as the entrustee)
 - (ii) *In relation to Ningbo Phase II of Yongtaiwen Expressway:*
 - (1) Ningbo Yongtaiwen Co (as the principal); and
 - (2) the Company (as the entrustee)
 - (iii) *In relation to North Line of Qianjiang Channel:*
 - (1) Jiaxiao Co (as the principal); and
 - (2) the Company (as the entrustee)

(iv) In relation to South Line of Qianjiang Channel:

- (1) Santongdao South Connection Co (as the principal); and
- (2) the Company (as the entrustee)

(v) In relation to Linjian Expressway:

- (1) Hangxuan Co (as the principal); and
- (2) the Company (as the entrustee)

(vi) In relation to Zhoushan North Channel:

- (1) North Channel Co (as the principal); and
- (2) the Company (as the entrustee)

Scope of entrusted operation
and management:

The Company is entrusted to take charge of the operation and management of all assets, equity, rights, and obligations under the entrusting companies, including but not limited to, Relevant Expressways and related structures, attachments and corresponding toll road rights and interests.

The responsibilities of the Company's entrusted operation and management work include but are not limited to: (i) daily management of the party, labour union and youth league organizations, (ii) daily operation management, maintenance management and maintenance of the road property and road rights, (iii) asset management and financial management, (iv) institution set-up, human resources management and assessment work, (v) contract management, (vi) obstacle clearing, rescue and safety production management, and (vii) other operation and management related matters.

As the expansion and reconstruction projects of Shensuzhewan Expressway and Ningbo Phase II of Yongtaiwen Expressway are ongoing, any disputes arising therefrom, as well as the financing and financial management associated with these projects are not within the scope of the Company's entrusted operation and management under the relevant Entrusted Management Agreements.

As the construction projects of Linjian Expressway and Zhoushan North Channel have not been finally accepted, the construction and management related to these projects, including but not limited to issues remaining from the construction period, completion acceptance, final account settlement, and final acceptance, any disputes arising therefrom, as well as the financial management associated with these projects are not within the scope of the Company's entrusted operation and management under the relevant Entrusted Management Agreements.

Term of entrusted
management:

In terms of Shensuzhewan Expressway, Ningbo Phase II of Yongtaiwen Expressway, North Line of Qianjiang Channel, South Line of Qianjiang Channel, Linjian Expressway, and Zhoushan North Channel, a term of three years ending on June 30, 2027.

If the parties intend to extend the term for Entrusted Management Agreements, they shall negotiate three months prior to the relevant expiration dates of the Entrusted Management Agreements and shall separately execute a written agreement accordingly.

Entrusted management service fees and payment method:

It is expected that the aggregate annual entrusted management service fees to be received by the Company under the Entrusted Management Agreements would not exceed the cap amount of RMB18,350,000, comprising:

- (i) RMB5,500,000 payable by Shensuzhewan Branch;
- (ii) RMB3,850,000 payable by Ningbo Yongtaiwen Co;
- (iii) RMB1,000,000 payable by Jiaxiao Co;
- (iv) RMB2,000,000 payable by Santongdao South Connection Co;
- (v) RMB4,000,000 payable by Hangxuan Co; and
- (vi) RMB2,000,000 payable by North Channel Co.

The entrusted management service fees shall be paid within one month after the receipt and acknowledgement of the settlement notice issued by the Company, pursuant to the terms of the Entrusted Management Agreements.

Pricing policy:

The entrusted management service fees shall be calculated in accordance with the following formula for each of the Relevant Expressways:

$$\left(\frac{1}{2} * \frac{\text{Toll revenue of Relevant Expressway}}{\text{Toll revenue of expressways managed by the Company}} + \frac{1}{2} * \frac{\text{Length of Relevant Expressway}}{\text{Length of expressways managed by the Company}} \right) * \text{Total administrative cost for toll road operations of the Company}$$

The maximum annual entrusted management service fees payable are determined after arm's length negotiations between the parties with reference to the Company's operation and management experience of toll expressways and estimation of potential revenue, cost and expenses arising from operation and management of the Relevant Expressways and all the other expressways which are operated and managed by the Company. Same standards have been applied with respect to the estimations for other expressways operated and managed by the Company.

Governing Law: The laws of the PRC.

PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of the entrusted management service fees receivable by the Company under the Entrusted Management Agreements.

The proposed annual cap on the aggregate entrusted management service fees of the Entrusted Management Agreements for each of the three years during the term of entrusted management shall not exceed RMB18,350,000.

The proposed annual cap on the entrusted management service fees of the Entrusted Management Agreements is determined based on: (i) the Company's operation and management experience of toll expressways; (ii) entrusted management service fees charged by the Company in relation to the Company's operation and management of other expressways; and (iii) the length of the Relevant Expressways and estimation of potential revenue arising from operation of the Relevant Expressways.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company has accumulated extensive management experience and possessed competent management skill in toll, road maintenance, and road property safety. Entering into the Entrusted Management Agreements shall further expand the road property portfolio managed by the Company. It will also facilitate the Company to pool its resources for professional management and improve performance and competitiveness of the Company in the expressway management and maintenance market.

The Directors (including independent non-executive Directors) are of the view that, the Entrusted Management Agreements are entered into in the usual and ordinary course of business of the Company on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is a joint stock company established under the laws of the PRC with limited liability 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 certain other businesses such as securities brokerage, investment banking, asset management, margin financing and securities lending through Zheshang Securities Co., Ltd..

Shensuzhewan Branch is a branch company of Communications Group which was established under the laws of the PRC. Shensuzhewan Branch is principally engaged in the investment, operation and management of the transportation infrastructure, toll collection, expressway maintenance and management, storage services (excluding hazardous items), tourism projects investment and development, roadside assistance, economic information consultancy (excluding agency services) and wholesale and retail of construction materials and other merchandise.

Ningbo Yongtaiwen Co is an approximately 80.45% owned subsidiary of Communications Group which was established under the laws of the PRC. Ningbo Yongtaiwen Co is principally engaged in investment, construction, operation, management, maintenance, wrecker rescue and cleaning of roads, expressways, tunnels and bridges, toll collection, storage (excluding hazardous chemicals), property management, real estate development, sale of construction materials and engine lubricant, domestic overland freight agency, leasing of properties and equipment, advertising services, tourism projects investment and wholesale and retail of daily necessities.

Jiaxiao Co is a 70% owned subsidiary of Communications Group which was established under the laws of the PRC. Jiaxiao Co is principally engaged in the investment and development, construction, maintenance and operation management of the expressway projects of Jiaxing to Xiaoshan Section.

Santongdao South Connection Co is a wholly owned subsidiary of Ningbo Yongtaiwen Co which was established under the laws of the PRC. Santongdao South Connection Co is principally engaged in the construction, operation and management of South Connection of Qianjiang Channel, road maintenance, development of road supporting facilities, domestic advertisement design, production, agency and release (excluding online advertising).

Hangxuan Co is a wholly-owned subsidiary of Communications Group which was established under the laws of the PRC. Hangxuan Co is principally engaged in investment and development, construction, maintenance, management of expressways, rescue of vehicles, leasing of equipment, retailing of tobacco, sale of food, books, construction materials, lubricant oils, stationery and flowers, development of information technology and internet technology, design, production and publication of domestic advertisements.

North Channel Co is a 60% owned subsidiary of Communications Group which was established under the laws of the PRC. North Channel Co is principally engaged in investment and development, construction, toll collection, maintenance, rescue, management of expressways, vehicle cleaning, storage (excluding hazardous chemicals and drug products), leasing of properties and equipment, sales of construction materials, stationery and flowers, consulting services, design, production and publication of domestic advertisements.

LISTING RULES IMPLICATIONS

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Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, the transactions contemplated under the Entrusted Management Agreements are required to be aggregated with the respective transactions under the Previous Agreements which were continuing connected transactions entered into with the associates of the same connected person (i.e. Communications Group) and are of the same nature.

The Previous Agreements refer to a total of four transactions entered into or completed within 12-month period prior to the date of this announcement between the Company and the associates of Communications Group in relation to the provision of entrusted management service of expressways, which consist of the entrusted management agreements entered into with HangNing Co (as defined and disclosed

in the announcement of the Company dated August 23, 2023), Zhejiang HNPL Co, HangShaoYong Co and Hangrao Co (as defined and disclosed in the announcement of the Company dated January 12, 2024). The key terms of those transactions, including nature of transaction, basis of consideration and terms of payment, largely resemble those of the Entrusted Management Agreements.

The Previous Agreements primarily relate to the provision of entrusted management of expressways by Group. The individual entrusted management service fees receivable by the Group ranges from RMB1,500,000 to RMB5,400,000 and the aggregate amount of the entrusted management service fees receivable by the Group under the Previous Agreements amounts to RMB14,400,000.

As one or more of the percentage ratios in respect of the aggregated annual cap for transactions contemplated under the Entrusted Management Agreements and the respective transactions carried out on a continuing basis under the Previous Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Entrusted Management Agreements are subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Yuan Yingjie, Mr. Fan Ye and Mr. Huang Jianzhang, being Directors, are deemed to have material interests in the Entrusted Management Agreements as they are currently also employed by Communications Group and have abstained from voting on the relevant Board resolutions. Other than the Directors mentioned above, none of the Directors have a material interest in the transactions contemplated under the Entrusted Management Agreements, and none of the Directors are required to abstain from voting on the relevant resolutions of the Board.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Communications Group”	Zhejiang Communications Investment Group Co., Ltd.* (浙江省交通投資集團有限公司), a state-controlled enterprise established in the PRC on December 29, 2001 and the controlling shareholder of the Company

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Entrusted Management Agreements”	collectively, the entrusted management agreements dated August 6, 2024 between the Company and (i) Shensuzhewan Branch in relation to the management of Shensuzhewan Expressway; (ii) Ningbo Yongtaiwen Co in relation to the management of Ningbo Phase II of Yongtaiwen Expressway; (iii) Jiaxiao Co in relation to the management of North Line of Qianjiang Channel; (iv) Santongdao South Connection Co in relation to the management of South Line of Qianjiang Channel; (v) Hangxuan Co in relation to the management of Linjian Expressway; and (vi) North Channel Co in relation to the management of Zhoushan North Channel
“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 are listed on the Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“Hangxuan Co”	Zhejiang Hangxuan Expressway Co., Ltd.* (浙江杭宣高速公路有限公司), a wholly-owned subsidiary of Communications Group as at the date of this announcement

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Jiaxiao Co”	Jiaxing Jiaxiao Expressway Investment Development Co., Ltd.* (嘉興市嘉蕭高速公路投資開發有限公司), a 70% owned subsidiary of Communications Group
“Linjian Expressway”	Lin’an to Jiande Section of Linjin Expressway (臨金高速公路臨安至建德段) which is owned by Hangxuan Co
“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
“Ningbo Yongtaiwen Co”	Zhejiang Ningbo Yongtaiwen Expressway Co., Ltd.* (浙江寧波甬台溫高速公路有限公司), an approximately 80.45% owned subsidiary of Communications Group
“North Channel Co”	Zhejiang Zhoushan North Channel Co., Ltd.* (浙江舟山北向大通道有限公司), a 60% owned subsidiary of Communications Group
“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 Agreements”	collectively, the agreements with respect to four transactions entered into between the Company and the associates of the same connected person (i.e. the Communications Group) in relation to the provision of entrusted management services of expressways
“Relevant Expressway(s)”	collectively (i) Shensuzhewan Expressway; (ii) Ningbo Phase II of Yongtaiwen Expressway; (iii) North Line of Qianjiang Channel; (iv) South Line of Qianjiang Channel; (v) Linjian Expressway; and (vi) Zhoushan North Channel

“RMB”	Renminbi, the lawful currency of the PRC
“Santongdao South Connection Co”	Hangzhou Santongdao South Connection Engineering Co., Ltd. * (杭州三通道南接線工程有限公司), an indirect non-wholly owned subsidiary of Communications Group
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shensuzhewan Branch”	Zhejiang Communications Investment Group Co., Ltd., Shensuzhewan Branch* (浙江省交通投資集團有限公司申蘇浙皖分公司), a branch company of Communications Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

* For identification purposes only

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

Hangzhou, the PRC, August 6, 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. YU Mingyuan.