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

## **CONNECTED TRANSACTION HUIHANG EXPRESSWAY EMERGENCY REPAIR ENGINEERING CONTRACT**

### **HUIHANG EXPRESSWAY EMERGENCY REPAIR ENGINEERING CONTRACT**

On September 13, 2024 (after trading hours), Huihang Co, a wholly-owned subsidiary of the Company, and Jiaogong Maintenance entered into the Huihang Expressway Emergency Repair Engineering Contract, pursuant to which, Jiaogong Maintenance agreed to undertake the emergency repair engineering project for the G56w325 High Embankment of Huihang Expressway to address slope collapse caused by severe weather and ensure safe and smooth vehicle travel.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. Jiaogong Maintenance is an indirect non-wholly subsidiary of Communications Group and is therefore a connected person of the Company. As such, the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract are more than 0.1% but less than 5%, the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract will be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

# HUIHANG EXPRESSWAY EMERGENCY REPAIR ENGINEERING CONTRACT

## Introduction

On September 13, 2024 (after trading hours), Huihang Co, a wholly-owned subsidiary of the Company, and Jiaogong Maintenance entered into the Huihang Expressway Emergency Repair Engineering Contract, pursuant to which, Jiaogong Maintenance agreed to undertake the emergency repair engineering project for the G56w325 High Embankment of Huihang Expressway to address slope collapse caused by severe weather and ensure safe and smooth vehicle travel.

Principal terms of the Huihang Expressway Emergency Repair Engineering Contract are summarized as below:

**Date:** September 13, 2024 (after trading hours)

**Parties:** (i) Huihang Co; and  
(ii) Jiaogong Maintenance

**Scope of Services:** (i) Phase 1: emergency traffic-keeping engineering, which primarily involves removal of landslide debris from the main line and the implementation of temporary protective measures to restore one-lane traffic.  
(ii) Phase 2: emergency disaster prevention and control engineering, which primarily involves construction of anti-slip piles, frame beam anchor rods, anchor cables, and micro piles to ensure slope safety and fully restoring the traffic.

**Term:** The main engineering work shall be completed by September 30, 2024 by when the project must be capable of supporting two-lane traffic; while the entire engineering work shall be completed by the end of November 15, 2024.

**Consideration and Basis of Consideration:** The consideration under the Huihang Expressway Emergency Repair Engineering Contract amounted to RMB21,391,973, which was determined after arm's length negotiations between the parties with reference to the actual situation of the project and industry pricing standards.

The pricing principles for each of sub-projects are as follows: unit prices are determined by applying the 2018 "Guidelines for the Preparation of Budget Estimates for Highway Construction Projects (《公路工程建設項目概算預算編製辦法》)" issued by Ministry of Transport of the PRC and using the 2018 "Highway Engineering Budget Quotas (《公路工程預算定額》)" issued by the Ministry of Transport of the PRC. For temporary projects and measures without corresponding quotas, costs will be settled based on the actual input and the comprehensive prices for consumption of labor, materials and machinery.

**Terms of payment:** The payment amount shall be calculated by contractor using the measurement method specified in the technical specifications, based on the unit prices and total amounts outlined in the bill of quantities.

The payment will be made in installments as follows:

- (i) payment for phase 1 emergency traffic-keeping engineering will be made upon achieving the required progress for this stage of the project; and
- (ii) payment for phase 2 emergency disaster prevention and control engineering will be made in two installments: one upon achieving the progress necessary for opening one-lane traffic and the other upon meeting the requirements for opening two lanes of traffic.

The actual payment amount for each installment shall be calculated based on the actual completed quantities.

For items in the bill of quantities with a unit of “total amount” shall be provided with basis of measurement and shall be measured based on actual quantities after review by the principal.

The retention percentage for quality assurance is 1.5% of each payment installment amount, with a cap of 1.5% of the total settlement amount of the project price.

**Governing law:** The laws of the PRC.

## **REASONS FOR AND BENEFITS OF THE HUIHANG EXPRESSWAY EMERGENCY REPAIR ENGINEERING CONTRACT**

Due to the continuous heavy rainfall, the G56w325 High Embankment of Huihang Expressway underwent deformation, and ultimately resulting in slope collapse that caused a complete blockage of the expressway in both directions. As the preventive measures were taken in the early stage of the incident, there was no impact on the operating vehicles. Following the incident, emergency measures have been taken to restore traffic in the direction of Anhui. In order to fully restore traffic as soon as possible, emergency rescue measures are necessary.

Being a subsidiary of Communication Group, Jiaogong Maintenance is fully aware of the Group’s business and operating needs, and maintains effective communication to provide more quality services to the Group. Jiaogong Maintenance has the relevant qualifications and expertise to provide expressway repair and construction engineering services to the Group. The transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract is and will be conducted in the ordinary and usual course of business of the Group, and the consideration paid by the Group to Jiaogong Maintenance will not be higher than the average market price and will not be less favorable than those provided by independent third parties to the Group for similar services.

Considering of the above, the Directors (including independent non-executive Directors) who are not required to abstain from voting in the relevant Board resolution are of the opinion that, the Huihang Expressway Emergency Repair Engineering Contract is entered into during the usual and ordinary course of business of the Group 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**

Huihang Co is a wholly-owned subsidiary of the Company which was established under the laws of the PRC on September 20, 2000. Huihang Co is principally engaged in operation and management of the Huihang Expressway.

Jiaogong Maintenance is an indirect non-wholly owned subsidiary of Communications Group which was established under the laws of the PRC on January 18, 2006. Jiaogong Maintenance is principally engaged in the road construction projects and toll road maintenance.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. Jiaogong Maintenance is an indirect non-wholly subsidiary of Communications Group and is therefore a connected person of the Company. As such, the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract are more than 0.1% but less than 5%, the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract will be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Among the existing Directors, Mr. Yuan Yingjie, Mr. Fan Ye and Mr. Huang Jianzhang are currently also employed by Communications Group and have abstained from voting on the relevant Board resolution. Other than the Directors mentioned above, none of the existing Directors has a material interest in the transaction contemplated under the Huihang Expressway Emergency Repair Engineering Contract, and none is required to abstain from voting on the relevant resolution of the Board.

## DEFINITIONS

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

|  |   |
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| “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  |
| “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  |
| “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 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  |
| “Huihang Co”   | Huangshan Yangtze Huihang Expressway Co., Ltd.* (黃山長江徽杭高速公路有限責任公司), a wholly-owned subsidiary of the Company  |
| “Huihang Expressway Emergency Repair Engineering Contract” | the contract dated September 13, 2024 entered into between Huihang Co and Jiaogong Maintenance, pursuant to which, Jiaogong Maintenance agreed to undertake the emergency repair engineering project for the G56w325 High Embankment of Huihang Expressway to address slope collapse caused by severe weather and ensure safe and smooth vehicle travel |

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|------------------------|--|
| “Jiaogong Maintenance” | Zhejiang Jiaogong High-grade Expressway Maintenance Co., Ltd.* (浙江交工高等級公路養護有限公司), an indirect non-wholly owned subsidiary of Communications Group                  |
| “Listing Rules”        | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time                              |
| “percentage ratio(s)”  | 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 |
| “RMB”                  | Renminbi, the lawful currency of the PRC   |
| “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   |
| “%”                    | per cent   |

\* For identification purposes only

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

Hangzhou, the PRC, September 13, 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.*