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

## **CONNECTED TRANSACTIONS**

### **THE TRAFFIC SAFETY PROJECT MAINTENANCE CONTRACTS**

#### **THE TRAFFIC SAFETY PROJECT MAINTENANCE CONTRACTS**

On December 17, 2024, relevant subsidiaries, branch and management offices of the Company entered into the Traffic Safety Project Maintenance Contracts with Zhejiang Shunchang/Maintenance Co/Jiaogong Maintenance, respectively, pursuant to which Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance undertake to provide traffic safety project maintenance for relevant expressways of the Group.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. Each of Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance is a subsidiary of Communications Group. Therefore, each of Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance is a connected person of the Company and as a result, the transactions contemplated under the Traffic Safety Project Maintenance Contracts constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, as the respective transactions contemplated under the Traffic Safety Project Maintenance Contracts and the Previous Transactions were entered into or completed within a 12 month period with Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance, connected persons of the Company, and are of a similar nature, the transactions contemplated under the Traffic Safety Project Maintenance Contracts and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Traffic Safety Project Maintenance Contracts.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Traffic Safety Project Maintenance Contracts are more than 0.1% but less than 5%, the transactions contemplated under the Traffic Safety Project Maintenance Contracts are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE TRAFFIC SAFETY PROJECT MAINTENANCE CONTRACTS**

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Principal terms of the Traffic Safety Project Maintenance Contracts are summarized as below:

- Date:** December 17, 2024
- Parties:**
- (1) relevant subsidiaries, branch and management offices of the Company; and
  - (2) Zhejiang Shunchang/Maintenance Co/Jiaogong Maintenance.
- Subject Matter:** Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance undertake to implement isolation fences, signage and related traffic safety ancillary facilities projects along the relevant expressways of the Group, and improve traffic safety facilities in accident black spots to reduce the occurrence of accidents.

- Term:**
- (i) *For Dedicated Isolation Fences Improvement Project Contracts:*
    - (a) Shangsang Expressway and Shaoxing Section of Hangzhou-Ningbo Expressway: One month of construction period plus two years of defect liability period;
    - (b) Ningbo Section of Hangzhou-Ningbo Expressway: Two months of construction period plus two years of defect liability period;
    - (c) Jiaxing Section of Shanghai-Hangzhou Expressway (Phase One): 30 days of construction period plus two years of defect liability period;
    - (d) Jiaxing Section of Shanghai-Hangzhou Expressway (Phase Two) and Zhajiasu Expressway: 30 days of construction period plus two years of defect liability period.
  - (ii) *For Ancillary Facilities Comprehensive Improvement Project Contracts:*
    - (a) Jiaxing Section of Shanghai-Hangzhou Expressway and Zhajiasu Expressway: 30 calendar days of construction period plus two years of defect liability period;
    - (b) Ningbo-Zhoushan Expressway: 40 calendar days of construction period plus two years of defect liability period.

**Consideration:** The aggregate consideration is RMB10,056,412.16, among which the consideration under Dedicated Isolation Fences Improvement Project Contracts and Ancillary Facilities Comprehensive Improvement Project Contracts amounts to RMB4,380,130 and RMB5,676,282.16, respectively.

**Basis of  
Consideration:**

The considerations under the Traffic Safety Project Maintenance Contracts were determined after arm's length negotiations between the parties with reference to the actual situation of the project and industry pricing standards, after inquiry or review of the bidding price by Shanghai Urban Construction Design & Research Institute (Group) Co., Ltd.\* (上海市城市建設設計研究總院(集團)有限公司). Unit prices for each of sub-projects 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 engineering and measure fees 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:**

(i) *For Dedicated Isolation Fences Improvement Project Contracts:*

The payment will be made in installments as follows:

- (a) Shangsang Expressway and Shaoxing Section of Hangzhou-Ningbo Expressway: up to 98.5% of the settlement price will be paid after the completion acceptance, and the remaining 1.5% shall be paid upon expiration of the defect liability period;
- (b) Ningbo Section of Hangzhou-Ningbo Expressway: up to 98% of the settlement price will be paid after the completion acceptance, and the remaining 2% shall be paid upon expiration of the defect liability period;

- (c) Jiaxing Section of Shanghai-Hangzhou Expressway (Phase One): up to 98.5% of the settlement price will be paid after the completion acceptance, and the remaining 1.5% shall be paid upon expiration of the defect liability period;
- (d) Jiaxing Section of Shanghai-Hangzhou Expressway (Phase Two) and Zhajiasu Expressway: up to 98% of the settlement price will be paid after the completion acceptance, and the remaining 2% shall be paid upon expiration of the defect liability period.

*(ii) For Ancillary Facilities Comprehensive Improvement Project Contracts:*

The payment will be made in installments as follows:

- (a) Jiaxing Section of Shanghai-Hangzhou Expressway and Zhajiasu Expressway: up to 98.5% of settlement price will be paid after the completion acceptance, and the remaining 1.5% shall be paid upon expiration of the defect liability period;
- (b) Ningbo-Zhoushan Expressway: up to 97% of the settlement price will be paid after the completion acceptance, and the remaining 3% shall be paid upon expiration of the defect liability period.

**Governing Law:** The laws of PRC.

## **REASONS FOR AND BENEFITS OF THE TRAFFIC SAFETY PROJECT MAINTENANCE CONTRACTS**

The projects under the Traffic Safety Project Maintenance Contracts will be carried out in accordance with national standards, along Shangsang Expressway, Shanghai-Hangzhou Expressway, Hangzhou-Ningbo Expressway, Ningbo-Zhoushan Expressway and Zhajiasu Expressway to implement isolation fences, signage and related traffic safety ancillary facilities projects. The focus will be on inspecting and supplementing the isolation fences, updating prohibitory and warning signs that jeopardize driving safety, and improving traffic safety facilities in accident black spots to reduce the occurrence of accidents.

Each of Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance has significant and extensive experience in expressway maintenance works and has relevant qualifications and expertise to provide the services required in respect of the Traffic Safety Project Maintenance Contracts. In addition, being subsidiaries of Communications Group, Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance are fully aware of the Group's operational needs, vision and goals and maintains effective communication to provide relevant services to the Group. The transactions contemplated under the Traffic Safety Project Maintenance Contracts are and will be conducted in the Group's ordinary and usual course of business, and the consideration paid by the Group to Zhejiang Shunchang, Maintenance Co and 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.

The Directors (including independent non-executive Directors) who are not required to abstain from voting in the relevant Board resolutions are of the opinion that, the Traffic Safety Project Maintenance Contracts are 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**

The Company is a joint stock limited company established in 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 certain other businesses such as securities brokerage, investment banking, asset management, margin financing and securities lending through Zheshang Securities Co., Ltd..

Maintenance Co is a subsidiary of Communications Group which is established under the laws of the PRC on January 28, 2014. Maintenance Co is principally engaged in the construction of road projects and maintenance of toll road.

Zhejiang Shunchang is a subsidiary of Communications Group which is established under the laws of the PRC on November 11, 2003. Zhejiang Shunchang is principally engaged in the construction of road projects and maintenance of toll road.

Jiaogong Maintenance is a subsidiary of Communications Group which is established under the laws of the PRC on January 18, 2006. Jiaogong Maintenance is principally engaged in the construction of road projects and maintenance of toll road.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. Each of Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance is a subsidiary of Communications Group. Therefore, each of Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance is a connected person of the Company and as a result, the transactions contemplated under the Traffic Safety Project Maintenance Contracts constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, as the respective transactions contemplated under the Traffic Safety Project Maintenance Contracts and the Previous Transactions were entered into or completed within a 12 month period with Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance, connected persons of the Company, and are of a similar nature, the transactions contemplated under the Traffic Safety Project Maintenance Contracts and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Traffic Safety Project Maintenance Contracts.

The Previous Transactions refer to two continuing connected transactions and one connected transaction entered into or completed within 12-month period prior to the date of this announcement between the Group and Zhejiang Shunchang, Maintenance Co as well as Jiaogong Maintenance in relation to the provision of expressway maintenance services. The Previous Transactions consist of the relevant agreements entered into with Zhejiang Shunchang/Maintenance Co/Jiaogong Maintenance as disclosed in the announcements of the Company dated December 2, 2024, June 14, 2024 and January 10, 2023, respectively. The key terms of those transactions, including nature of transaction, basis of consideration and terms of payment, largely resemble those of the Traffic Safety Project Maintenance Contracts.

The Previous Transactions primarily relate to the provision of daily maintenance, dedicated maintenance and traffic safety project maintenance of expressways of the Group by Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance. The highest annual caps of the daily maintenance and dedicated maintenance of expressways under the Previous Transactions amount to RMB163,000,000 and RMB430,000,000, and the service fee payable of the traffic safety project maintenance under the Previous Transactions amounts to RMB3,987,570.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Traffic Safety Project Maintenance Contracts are more than 0.1% but less than 5%, the transactions contemplated under the Traffic Safety Project Maintenance Contracts are 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 deemed to have material interests in the Traffic Safety Project Maintenance Contracts 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 existing Directors is required to abstain from voting on the relevant Board resolutions.



## DEFINITIONS

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

“Ancillary Facilities Comprehensive Improvement Project Contracts”	the contracts entered into on December 17, 2024 among the relevant subsidiaries and branch of the Company and Maintenance Co/Jiaogong Maintenance, respectively, pursuant to which, Maintenance Co and Jiaogong Maintenance undertake to improve the ancillary facilities for Jiaxing Section of Shanghai-Hangzhou Expressway, Zhajiasu Expressway and Ningbo-Zhoushan Expressway of the Group
“Board”	the board of Directors
“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
“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

“Dedicated Isolation Fences Improvement Project Contracts”	the contracts entered into on December 17, 2024 among the relevant subsidiaries, branch and management offices of the Company and Zhejiang Shunchang/Maintenance Co/Jiaogong Maintenance, respectively, pursuant to which, Zhejiang Shunchang, Maintenance Co and Jiaogong Maintenance undertake to inspect and supplement the isolation fences for Shangsang Expressway, Shaoxing Section of Hangzhou-Ningbo Expressway, Ningbo Section of Hangzhou-Ningbo Expressway, Jiaxing Section of Shanghai-Hangzhou Expressway and Zhajiasu Expressway of the Group
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

“Traffic Safety Project Maintenance Contracts” collectively Ancillary Facilities Comprehensive Improvement Project Contracts and Dedicated Isolation Fences Improvement Project Contracts

“%” per cent

\* *For identifications only.*

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

Hangzhou, the PRC, December 17, 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.*