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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 CONTRACTS WITH THE CONSORTIUM**

### **CONTRACTS WITH THE CONSORTIUM**

#### **The Toll Stations Comprehensive Rectification Project Contracts**

On December 20, 2024, the relevant subsidiaries and management offices of the Company entered into the Toll Stations Comprehensive Rectification Project Contracts with the Consortium to integrate and update the ancillary facilities in the toll stations of relevant expressways of the Group.

#### **The Comprehensive Road Facility Improvement Project Contracts**

On December 20, 2024, the relevant subsidiaries and management offices of the Company entered into the Comprehensive Road Facility Improvement Project Contracts with the Consortium to undertake infrastructure improvements and accident prevention measures.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, ZJIC and Zhejiang Shunchang are subsidiaries of Communications Group, the controlling shareholder of the Company. Accordingly, ZJIC and Zhejiang Shunchang are connected persons of the Company and the transactions contemplated under the Contracts with the Consortium constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, as the transactions contemplated under the Contracts with the Consortium and the Previous Transactions were entered into or completed within a 12-month period with ZJIC/ ZJIC-lead consortium, connected persons of the Company, and are of a similar nature, the transactions contemplated under the Contracts with the Consortium 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 Contracts with the Consortium.

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

**CONTRACTS WITH THE CONSORTIUM**

**The Toll Stations Comprehensive Rectification Project Contracts**

On December 20, 2024, the relevant subsidiaries and management offices of the Company entered into the Toll Stations Comprehensive Rectification Project Contracts with the Consortium to integrate and update the ancillary facilities in the toll stations of relevant expressways of the Group.

Principal terms of the Toll Stations Comprehensive Rectification Project Contracts are summarized as below:

- Date:** December 20, 2024
  
- Parties:**
  - (i) The relevant subsidiaries and management offices of the Company; and
  
  - (ii) The Consortium
  
- Scope of services:** The Consortium shall undertake the work related to the project including but not limited to basic information collection and analysis, on-site investigation, proposal design, construction drawing design, construction drawing budget preparation, raw material and/or related equipment procurement, on-site construction and installation commissioning, follow-up services and other technical consulting work.

**Term:** The design period shall not exceed 20 calendar days, the construction period shall not exceed 60 calendar days, and the defect liability period shall be no less than 24 months.

**Service fees:** The aggregate consideration is RMB6,771,698.

**Basis of service fees:** The service fees were determined as a result of public tender.

Other than the Consortium, there were two other independent service providers which made a bid for the transactions contemplated under the Toll Stations Comprehensive Rectification Project Contracts. The Consortium obtained the highest overall score among all the bidders and therefore won the above tender.

The factors for assessment included, but were not limited to:

- (a) business aspect: the performance record of the bidder;
- (b) technical aspect: overall project design proposal, project progress, quality and cost control, safety management measures, overall project construction proposal, and analysis of key and difficult points as well as response measures; and
- (c) the quotation price.

**Terms of payment:** The service fees shall be paid to ZJIC as the leading party of the Consortium, which will be further allocated between ZJIC and Zhejiang Shunchang.

- (a) 98% of the settlement price will be paid in one lump sum after the completion acceptance of the project; and
- (b) the remaining 2% will be paid upon expiry of the defect liability period.

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

### **The Comprehensive Road Facility Improvement Project Contracts**

On December 20, 2024, the relevant subsidiaries and management offices of the Company entered into the Comprehensive Road Facility Improvement Project Contracts with the Consortium to undertake infrastructure improvements and accident prevention measures.

Principal terms of the Comprehensive Road Facility Improvement Project Contracts are summarized as below:

- Date:** December 20, 2024
- Parties:**
- (1) The relevant subsidiaries and management offices of the Company; and
  - (2) The Consortium
- Scope of services:** The Consortium shall undertake the work related to the project including but not limited to basic information collection and analysis, on-site investigation, proposal design, construction drawing design, construction drawing budget preparation, raw material and/or related equipment procurement, on-site construction and installation commissioning, follow-up services and other technical consulting work.
- Term:**
- (i) *For the Congestion Management Construction Project Contracts:*  
  
Two months of construction period and three months of trial operation period, with a defect liability period of two years.
  - (ii) *For the Road Safety Facility Renovation and Upgrade Project Contracts:*  
  
One month of construction period, with a defect liability period of two years.
- Service fees:** The aggregate consideration is RMB4,866,703, among which the consideration under each of the Congestion Management Construction Project Contracts and the Road Safety Facility Renovation and Upgrade Project Contracts amounts to RMB 2,337,352 and RMB 2,529,351, respectively.

**Basis of service fees:** The considerations under the Comprehensive Road Facility Improvement Project 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 prices 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 were 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:** The service fees shall be paid to ZJIC, which will be further allocated between ZJIC and Zhejiang Shunchang.

(i) *For the Congestion Management Construction Project Contracts:*

- (a) 98% of the settlement price shall be paid after the completion acceptance; and
- (b) the remaining 2% shall be paid upon expiration of the defect liability period.

(ii) *For the Road Safety Facility Renovation and Upgrade Project Contracts:*

- (a) 98.5% of the settlement price shall be paid after the completion acceptance; and
- (b) the remaining 1.5% shall be paid upon expiration of the defect liability period.

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

## **REASONS FOR AND BENEFITS OF THE CONTRACTS WITH THE CONSORTIUM**

The projects under the Toll Stations Comprehensive Rectification Project Contracts aim to optimize, integrate, and update the prohibition and warning signs in the toll station areas to ensure driving safety, and supplement the deceleration markings at toll stations as per national standards.

In terms of the projects under the Comprehensive Road Facility Improvement Project Contracts, they involve setting up a hard shoulder running system, optimizing traffic signs, and other measures on the relevant expressways with the aim of improving road traffic efficiency during holiday peak periods. Meanwhile, measures such as mainline lighting, as well as sound and light warnings will also be adopted on accident-prone road sections to reduce the occurrence of accidents.

Being the subsidiaries of Communication Group, ZJIC and Zhejiang Shunchang are fully aware of the Group's business and operating needs, and maintain effective communication to provide more quality services to the Group. ZJIC and Zhejiang Shunchang have the relevant qualifications and expertise to provide services under the Contracts with the Consortium to the Group. The transactions contemplated under the Contracts with the Consortium are and will be conducted in the ordinary and usual course of business of the Group, and the services fees paid by the Group under the Contracts with the Consortium 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 resolution are of the opinion that, the Contracts with the Consortium are entered into during the ordinary and usual 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..

ZJIC is a subsidiary of Communications Group which is established under the laws of the PRC. ZJIC is principally engaged in the planning, research, surveying and mapping, design, consulting, engineering procurement construction and engineering test detection of infrastructure projects in fields of expressways, water transport, municipal engineering, rail transit, architecture, water conservancy and ecological environmental protection.

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

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, ZJIC and Zhejiang Shunchang are subsidiaries of Communications Group, the controlling shareholder of the Company. Accordingly, ZJIC and Zhejiang Shunchang are connected persons of the Company and the transactions contemplated under the Contracts with the Consortium constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Previous Transactions refer to a total of 16 transactions entered into or completed within 12-month period prior to the date of the Contracts with the Consortium between the Group and ZJIC/ZJIC-lead consortium in relation to the provision of expressway related construction, design and consultation services. The Previous Transactions consist of the relevant agreements as disclosed in the announcements of the Company dated September 22, 2023, January 12, 2024, September 5, 2024 and November 29, 2024 and eight connected transactions which fell below the de minimis threshold and were fully exempt from all reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The key terms of the Previous Transactions, including nature of transaction, basis of consideration and terms of payment, largely resemble those of the Contracts with the Consortium.

The Previous Transactions primarily relate to the provision of expressway related construction, design and consultation services by ZJIC/ZJIC-lead consortium. The individual service fee payable by the Group ranges from RMB149,640 to RMB23,392,880 and the aggregate amount of the service fees payable by the Group to ZJIC under the Previous Transactions amounts to RMB 57,243,664.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, as the transactions contemplated under the Contracts with the Consortium and the Previous Transactions were entered into or completed within a 12-month period with ZJIC/ZJIC-lead consortium, connected persons of the Company, and are of a similar nature, the transactions contemplated under the Contracts with the Consortium 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 Contracts with the Consortium.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Contracts with the Consortium are more than 0.1% but less than 5%, the transactions contemplated under the Contracts with the Consortium, after aggregating with the Previous Transactions, 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 Contracts with the Consortium as they 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 is required to abstain from voting on the relevant Board resolution.

## DEFINITIONS

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

“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, 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
“Comprehensive Road Facility Improvement Project Contracts”	collectively, Congestion Management Construction Project Contracts and Road Safety Facility Renovation and Upgrade Project Contracts
“Congestion Management Construction Project Contracts”	the contracts entered into on December 20, 2024 among the relevant subsidiary and management office of the Company and the Consortium in relation to congestion management construction project
“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



“Consortium”	ZJIC and Zhejiang Shunchang
“Contracts with the Consortium”	collectively, Toll Stations Comprehensive Rectification Project Contracts and Comprehensive Road Facility Improvement Project Contracts
“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
“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
“Previous Transactions”	16 transactions entered into or completed within a 12-month period prior to the date of the Contracts with the Consortium between the Group and ZJIC/ZJIC-lead consortium in relation to the provision of expressway related construction, design and consultation services, including the transactions as disclosed in the announcements of the Company dated September 22, 2023, January 12, 2024, September 5, 2024 and November 29, 2024.
“RMB”	Renminbi, the lawful currency of the PRC

“Road Safety Facility Renovation and Upgrade Project Contracts”	the contracts entered into on December 20, 2024 among relevant subsidiary and management offices of the Company and the Consortium in relation to road facilities upgrade project
“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
“Toll Stations Comprehensive Rectification Project Contracts”	the contracts entered into on December 20, 2024 among relevant subsidiaries and management offices of the Company and the Consortium to integrate and update of the ancillary facilities in the toll stations of relevant expressways of the Group
“Zhejiang Shunchang”	Zhejiang Shunchang High-grade Expressway Maintenance Co., Ltd.* (浙江順暢高等級公路養護有限公司), an indirect non-wholly owned subsidiary of Communications Group as at the date of this announcement
“ZJIC”	Zhejiang Institute of Communications Co., Ltd.* (浙江數智交院科技股份有限公司) a joint stock limited company established in the PRC and a subsidiary of Communications Group as at the date of this announcement
“%”	per cent

\* For identification purposes only

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

Hangzhou, the PRC, December 20, 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.*