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

**CONTINUING CONNECTED TRANSACTION
HUMAN RESOURCES BUSINESS OUTSOURCING
SERVICE FRAMEWORK AGREEMENT**

**HUMAN RESOURCES BUSINESS OUTSOURCING SERVICE
FRAMEWORK AGREEMENT**

On December 30, 2024, the Company entered into the Human Resources Business Outsourcing Service Framework Agreement with Transportation Investment Talent, pursuant to which Transportation Investment Talent undertakes to provide outsourcing services for certain employment positions of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. Transportation Investment Talent is a subsidiary of Communications Group. Therefore, Transportation Investment Talent is a connected person of the Company and as a result, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual cap for the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE HUMAN RESOURCES BUSINESS OUTSOURCING SERVICE FRAMEWORK AGREEMENT

On December 30, 2024, the Company entered into the Human Resources Business Outsourcing Service Framework Agreement with Transportation Investment Talent, pursuant to which Transportation Investment Talent undertakes to provide outsourcing services for certain employment positions of the Group.

Principal terms of the Human Resources Business Outsourcing Service Framework Agreement are summarized as below:

Date: December 30, 2024

Parties: (1) the Company; and
(2) Transportation Investment Talent.

Subject Matter: Transportation Investment Talent undertakes to provide outsourcing services for certain employment positions of the Group, including but not limited to frontline production positions (toll collection assistants, monitors, clearance and rescue personnel, patrollers etc.), logistics service positions (cooks, cleaners, drivers, guards etc.), and research and development positions (development, testers, user interface designers, operation and maintenance personnel etc.). Subsequently, the relevant subsidiaries and branches of the Company will enter into specific human resources business outsourcing service agreements with Transportation Investment Talent and its subsidiaries under the Human Resources Business Outsourcing Service Framework Agreement.

Term: January 1, 2025 to December 31, 2025.

Consideration: The aggregate consideration will not exceed RMB85.30 million.

Basis of Consideration: The consideration of the Human Resources Business Outsourcing Service Framework Agreement was determined after arm's length negotiations between the parties and with reference to the following, which will not be less favorable than the transactions entered into with independent third parties:

- (i) the estimated costs required for providing human resources business outsourcing services, including salaries, various social insurances, welfare fees, management fees and taxes, calculated based on the salary information for relevant personnel in various positions in the "2023 Hangzhou Human Resources Market Wage Levels and Industry Labor Cost Information (2023年杭州市人力資源市場工資價位及行業人工成本信息)";
- (ii) the comparable charges for human resources business outsourcing services provided by independent third parties to the Company and its subsidiaries in 2023 and 2024; and
- (iii) cost review report from the third-party cost consulting firm, 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).

Terms of Payment: The relevant subsidiaries and branches of the Company will settle and pay the service fee based on the signed specific human resources business outsourcing agreements.

Governing Law: The laws of PRC.

PROPOSED ANNUAL CAP AND BASIS FOR DETERMINATION

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount payable by the Group under the Human Resources Business Outsourcing Service Framework Agreement.

The proposed annual cap on the aggregate service fees of the Human Resources Business Outsourcing Service Framework Agreement payable by the Group for the term of the Human Resources Business Outsourcing Service Framework Agreement is RMB85.30 million.

The proposed annual cap on the service fees of the Human Resources Business Outsourcing Service Framework Agreement is determined based on (i) the maximum amount of consideration payable under the Human Resources Business Outsourcing Service Framework Agreement and (ii) the estimated workload required under the Human Resources Business Outsourcing Service Framework Agreement.

If the actual annual amount of the service fees payable by the Group under the specific human resources business outsourcing service agreement shall exceed the abovementioned annual cap, the Company will re-comply with all applicable requirements under the Listing Rules in due course.

REASONS FOR AND BENEFITS OF THE HUMAN RESOURCES BUSINESS OUTSOURCING SERVICE FRAMEWORK AGREEMENT

To comply with the State-owned Assets Supervision and Administration Commission's requirements regarding the proportion of labor dispatch employment, and to ensure efficient management of the Group's workforce, the Company and Transportation Investment Talent entered into the Human Resources Business Outsourcing Service Framework Agreement, entrusting labor outsourcing services uniformly to Transportation Investment Talent, which will integrate the currently fragmented labor outsourcing model of the Group into a unified approach. This transition will streamline operations, optimize resource allocation, and facilitate a smooth transition for outsourced projects, enhancing the overall efficiency of its labor outsourcing management practices.

Transportation Investment Talent has significant and extensive experience in labor outsourcing services and has relevant expertise to provide the services required in respect of the Human Resources Business Outsourcing Service Framework Agreement. In addition, being a subsidiary of Communications Group, Transportation Investment Talent is fully aware of the Group's operational needs and maintains effective communication to provide relevant services to the Group. The transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement is and will be conducted in the Group's ordinary and usual course of business, and the consideration paid by the Group to Transportation Investment Talent 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 Human Resources Business Outsourcing Service Framework Agreement is 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..

Transportation Investment Talent is a subsidiary of Communications Group which is established under the laws of the PRC on March 3, 2017. Transportation Investment Talent is principally engaged in talent recruitment, education and training, talent evaluation and human resources outsourcing businesses.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. Transportation Investment Talent is a subsidiary of Communications Group. Therefore, Transportation Investment Talent is a connected person of the Company and as a result, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual cap for the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement is subject to the reporting, announcement and annual review 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 Human Resources Business Outsourcing Service Framework Agreement 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:

“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
“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
“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
“Human Resources Business Outsourcing Service Framework Agreement”	the framework agreement entered into by the Company and Transportation Investment Talent dated December 30, 2024 in relation to outsourcing services for certain employment positions of the 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
“Transportation Investment Talent”	Zhejiang Transportation Investment Talent Development Group Co., Ltd.* (浙江交投人才發展集團有限公司), a subsidiary of Communications Group as at the date of this announcement
“%”	per cent

* *For identifications only.*

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

Hangzhou, the PRC, December 30, 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.