

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

CONNECTED TRANSACTIONS CONTRACTS WITH ZHEJIANG INFORMATION

CONTRACTS WITH ZHEJIANG INFORMATION

Electromechanical System Upgrade and Renovation Project Contracts

On December 31, 2024, the relevant subsidiaries of the Company entered into the Electromechanical System Upgrade and Renovation Project Contracts with Zhejiang Information for upgrade and renovation of the electromechanical systems of the relevant expressways of the Group.

Illuminated Signboards Maintenance Project Contract

On December 31, 2024, the information center of the Company (a branch of the Company) entered into the Illuminated Signboards Maintenance Project Contract with Zhejiang Information for maintenance of the illuminated signboards of Shanghai-Hangzhou-Ningbo Expressway.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. Zhejiang Information, as a 65.85% owned subsidiary of Communications Group, is a connected person of the Company and as a result, the transactions contemplated under the Contracts with Zhejiang Information 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 respective transactions contemplated under the Contracts with Zhejiang Information and the Previous Transactions were entered into or completed within a 12-month period with Zhejiang Information, a connected person of the Company, and are of a similar nature, the transactions contemplated under the Contracts with Zhejiang Information 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 Zhejiang Information.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Contracts with Zhejiang Information, after aggregating with the Previous Transactions, are more than 0.1% but less than 5%, the transactions contemplated under the Contracts with Zhejiang Information 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 ZHEJIANG INFORMATION

Electromechanical System Upgrade and Renovation Project Contracts

On December 31, 2024, the relevant subsidiaries of the Company entered into the Electromechanical System Upgrade and Renovation Project Contracts with Zhejiang Information for upgrade and renovation of the electromechanical systems of relevant expressways of the Group.

Principal terms of the Electromechanical System Upgrade and Renovation Project Contracts are summarized as below:

- Date:** December 31, 2024
- Parties:**
- (1) The relevant subsidiaries of the Company; and
 - (2) Zhejiang Information
- Scope of services:** Zhejiang Information shall undertake the work related to equipment procurement, installation, debugging, follow-up services and defect repair during the defect liability period.

Term:

(i) *For the Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contracts:*

One month of planned construction period and six months of trial operation period, with a defect liability period of 24 months, of which the defect liability period for the key equipment shall be 60 months.

(ii) *For the Video Blind Spot Coverage Project Contracts:*

50 days of planned construction period and six months of trial operation period, with a defect liability period of 24 months.

(iii) *For the Mainline Monitoring Blind Spot Coverage Project Contract:*

Three months of planned construction period and six months of trial operation period, with a defect liability period of 24 months, of which the defect liability period for the key equipment shall be 60 months.

Service fees:

The aggregate consideration under the Electromechanical System Upgrade and Renovation Project Contracts is RMB4,934,435.11, among which the consideration under each of the Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contract, Video Blind Spot Coverage Project Contracts and Mainline Monitoring Blind Spot Coverage Project Contracts amounts to RMB3,582,450.89 and RMB854,057.22 and RMB497,927, respectively.

Basis of service fees: (i) *For the Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contract and the Video Blind Spot Coverage Project Contracts:*

The considerations under the Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contract and Video Blind Spot Coverage 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. 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》)" and "Highway Engineering Mechanical Shift Costs Quotas (《公路工程機械台班費用定額》)" issued by the Ministry of Transport of the PRC, with references of "Quality Supervision and Cost (《質監與造價》)" published by the Zhejiang Provincial Transportation Engineering Cost Management Station and the Central Station in August 2024, as well as the ninth issue of "Quzhou Cost Information (《衢州造價信息》)" and "Zhejiang Cost Information (《浙江造價信息》)".

(ii) For the Mainline Monitoring Blind Spot Coverage Project Contracts:

The consideration under the Mainline Monitoring Blind Spot Coverage 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 the bidding control price is reviewed 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》)" and "Highway Engineering Machinery Standard Costs (《公路工程機械台班費用定額》)" issued by the Ministry of Transport of the PRC.

Terms of payment:

The service fees shall be paid in the following manner.

(i) For the Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contracts:

- (a) a one-time payment of 98.5% of the settlement price will be made; and
- (b) the remaining 1.5% will be paid after the defect liability period, the final payment amount of which will be based on the settlement audit amount.

(ii) For the Video Blind Spot Coverage Project Contracts:

- (a) 80% of the completed project amount will be paid after mechanical completion, preliminary acceptance of installation and debugging of the project;
- (b) 98.5% of the audited settlement price will be paid after the trial operation period and upon passing the acceptance; and
- (c) the remaining 1.5% of the project price will serve as a quality guarantee fund, to be paid after expiration of the defect liability period.

(iii) For the Mainline Monitoring Blind Spot Coverage Project Contracts:

- (a) up to 80% of the contract price (excluding provisional sums) will be made after completion acceptance;
- (b) payment will be made up to 97% of the settlement amount after handover acceptance; and
- (c) the remaining 3% will be paid after the defect liability period.

Governing law: The laws of the PRC.

Illuminated Signboards Maintenance Project Contract

On December 31, 2024, the information center of the Company (a branch of the Company) entered into the Illuminated Signboards Maintenance Project Contract with Zhejiang Information for maintenance of the illuminated signboards of Shanghai-Hangzhou-Ningbo Expressway.

Principal terms of the Illuminated Signboards Maintenance Project Contract are summarized as below:

Date:	December 31, 2024
Parties:	(1) The information center of the Company; and (2) Zhejiang Information
Scope of services:	Zhejiang Information shall undertake the work related to procurement of all the equipment, installation, trial operation and testing.
Term:	20 days of construction period.
Service fees:	The consideration under the Illuminated Signboards Maintenance Project Contract is RMB215,000.
Basis of service fees:	The consideration under the Illuminated Signboards Maintenance Project Contract was determined after arm's length negotiations between the parties with reference to the actual situation of the project and industry pricing standards after 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 settlement price shall be paid in one lump sum after passing the acceptance.
Governing law:	The laws of the PRC.

REASONS FOR AND BENEFITS OF THE CONTRACTS WITH ZHEJIANG INFORMATION

The projects under the Contracts with Zhejiang Information aim to reduce road monitoring blind spots, increase the number of proactive warning and meteorological equipment, as well as equipment and facilities such as streetlights, integrate tunnel, communication and monitoring systems, install monitoring and information release equipment and maintain illuminated signboards so as to ensure orderly road traffic of and enhance disaster prevention and resistance capabilities of the relevant expressways. Being a subsidiary of Communication Group, Zhejiang Information is fully aware of the Group's business and operating needs, and maintains effective communication to provide more quality services to the Group. Zhejiang Information has the relevant qualifications and expertise to provide services under the Contracts with Zhejiang Information to the Group. The transactions contemplated under the Contracts with Zhejiang Information 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 Zhejiang Information 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 Zhejiang Information 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..

Zhejiang Information is a subsidiary of Communications Group which was established under the laws of the PRC. Zhejiang Information is principally engaged in development, transfer and consulting services of traffic mechanical and electrical system integration technology and information technology, designing, development, sales and construction of traffic safety facilities, and designing and construction of computer system engineering, information system engineering and expressway supporting systems engineering.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. Zhejiang Information, as a 65.85% owned subsidiary of Communications Group, is a connected person of the Company and as a result, the transactions contemplated under the Contracts with Zhejiang Information constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Previous Transactions refer to a total of six transactions entered into or completed within 12-month period prior to the date of the Contracts with Zhejiang Information between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services. The Previous Transactions consist of the relevant agreements entered into with Zhejiang Information as disclosed in the announcements of the Company dated October 27, 2023, April 30, 2024 and September 24, 2024. 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 Zhejiang Information.

The Previous Transactions primarily relate to the provision of information technology services and mechanical and electrical engineering services by Zhejiang Information. The individual service fee payable by the Group ranges from RMB1,000,000 to RMB26,845,079.86 and the aggregate amount of the service fees payable by the Group to Zhejiang Information under the Previous Transactions amounts to RMB60,319,521.93.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, as the respective transactions contemplated under the Contracts with Zhejiang Information and the Previous Transactions were entered into or completed within a 12-month period with Zhejiang Information, a connected person of the Company, and are of a similar nature, the transactions contemplated under the Contracts with Zhejiang Information 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 Zhejiang Information.

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

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
“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
“Contracts with Zhejiang Information”	collectively, Electromechanical System Upgrade and Renovation Project Contracts and the Illuminated Signboards Maintenance Project Contract
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contracts”	the contracts dated December 31, 2024 entered into between the relevant subsidiaries of the Company and Zhejiang Information in relation to installation of electromechanical facilities to enhance disaster prevention and resistance capabilities of relevant expressways
“Electromechanical System Upgrade and Renovation Project Contracts”	collectively, Disaster Prevention and Resistance Capacity Improvement Electromechanical Facilities Installation Project Contracts, Video Blind Spot Coverage Project Contracts and Mainline Monitoring Blind Spot Coverage Project Contracts
“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
“Illuminated Signboards Maintenance Project Contract”	the contract dated December 31, 2024 entered into between the information center of the Company and Zhejiang Information in relation to maintenance of illuminated signboards of Shanghai-Hangzhou-Ningbo Expressway
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mainline Monitoring Blind Spot Coverage Project Contracts”	the contracts dated December 31, 2024 entered into between the relevant subsidiaries of the Company and Zhejiang Information in relation to installation of new monitoring points in the relevant blind spots
“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”	six transactions entered into or completed within a 12-month period prior to the date of the Contracts with Zhejiang Information between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services, including the transactions as disclosed in the announcements of the Company dated October 27, 2023, April 30, 2024 and September 24, 2024
“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
“Video Blind Spot Coverage Project Contracts”	the contracts dated December 31, 2024 entered into between the relevant subsidiaries of the Company and Zhejiang Information in relation to installation of monitoring points to reduce monitoring blind spot, increase of the number of proactive warning and meteorological equipment, as well as equipment and facilities such as streetlights and integration of tunnel, communication and monitoring systems for relevant expressways
“Zhejiang Information”	Zhejiang Expressway Information Engineering Technology Co., Ltd.* (浙江高信技術股份有限公司), a joint stock limited company established in the PRC and a 65.85% owned subsidiary of Communications Group
“%”	per cent

* For identification purposes only

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

Hangzhou, the PRC, December 31, 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.