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浙江滬杭甬高速公路股份有限公司

ZHEJIANG EXPRESSWAY CO., LTD.

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

(Stock code: 0576)

**CONNECTED TRANSACTION
UNDERWRITING AGREEMENT IN RELATION TO
THE PROPOSED LISTING OF ZJIC**

UNDERWRITING AGREEMENT IN CONNECTION WITH THE PROPOSED LISTING OF ZJIC

The Board announces that on April 6, 2023 (after trading hours), Zheshang Securities, a non-wholly owned subsidiary of the Company, and Haitong Securities entered into the Underwriting Agreement with ZJIC, a non-wholly owned subsidiary of Communications Group in relation to the proposed Listing of ZJIC on the Shenzhen Stock Exchange.

Pursuant to the Underwriting Agreement, Zheshang Securities was engaged as one of the joint lead underwriters to provide underwriting services in respect of the proposed Listing. Pursuant to the Underwriting Agreement, the aggregate underwriting fees that ZJIC has agreed to pay to the joint lead underwriters are 4.9% of the amount of capital raised from the proposed Listing, which is estimated to be RMB1.5 billion as set out in the prospectus of ZJIC. 55% of the total underwriting fees will be paid to Zheshang Securities, which is estimated to be RMB40,425,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. ZJIC, owned as to approximately 55.08% by Communications Group, is a connected person of the Company. Zheshang Securities is a non-wholly owned subsidiary of the Company. Hence, the transaction contemplated under the Underwriting Agreement constituted a connected transaction of the Company.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the respective transactions contemplated under the Underwriting Agreement and the IPO Sponsorship Agreement were entered into or completed within a 12-month period with ZJIC, a connected person of the Company, the transactions contemplated under the Underwriting Agreement and the IPO Sponsor Agreement are required to be aggregated for the calculation of the relevant percentage ratio to determine the classification of the transactions contemplated under the Underwriting Agreement.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the underwriting fee receivable by Zheshang Securities under the transaction contemplated under the Underwriting Agreement, after aggregating with the transaction under the IPO Sponsor Agreement, is more than 0.1% but all of them are less than 5%, the transaction contemplated under the Underwriting Agreement is therefore subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event that Zheshang Securities will receive an amount of underwriting fee that renders any one of the applicable ratios exceeds 5%, the Company will comply with the then applicable requirements under the Listing Rules as appropriate, including but not limited to publishing a further announcement and/or obtaining approval from the Shareholders where applicable.

The Underwriting Agreement is conditional upon the satisfaction of various conditions precedent set out therein and accordingly, the completion of the Underwriting Agreement and the transaction contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution in dealing in the securities of the Company.

UNDERWRITING AGREEMENT IN RELATION TO THE PROPOSED LISTING OF ZJIC

The Board announces that on April 6, 2023 (after trading hours), Zheshang Securities, a non-wholly owned subsidiary of the Company, and Haitong Securities entered into the Underwriting Agreement with ZJIC, a non-wholly owned subsidiary of the Communications Group in relation to proposed Listing of ZJIC on Shenzhen Stock Exchange.

The principal terms of the Underwriting Agreement are as follows:

- Date:** April 6, 2023
- Parties:**
- (1) ZJIC as a listing applicant;
 - (2) Zheshang Securities as a lead underwriter; and
 - (3) Haitong Securities as a lead underwriter, which is an independent third party as defined under the Listing Rules.
- Subject:** Pursuant to the Underwriting Agreement, Zheshang Securities has been engaged as one of the joint lead underwriters to provide securities underwriting services for the public offering of the proposed Listing.
- Conditions Precedent:** The obligation of Zheshang Securities to perform as a lead underwriter in relation to the public offering of the proposed Listing is subject to the fulfillment of the following conditions:
- (1) the issuance of legal opinions by the legal counsel of ZJIC for the proposed Listing in compliance with the applicable laws;
 - (2) the issuance of audit report by the auditor of ZJIC for the proposed Listing in compliance with the applicable laws;
 - (3) obtaining approvals from the board of directors and the shareholders of ZJIC and application made by ZJIC with the Shenzhen Stock Exchange for the proposed Listing;

- (4) obtaining approval from Shenzhen Stock Exchange for the proposed Listing of the offering shares and consent from the CSRC for registration;
- (5) there having been, from the date of the Underwriting Agreement to the date of the last day of underwriting, no material contravention of the law or regulation; no change in ZJIC's financial position, shareholding structure, major assets, principal business; no change in its personnel which has a material impact on the management and operation of ZJIC; no material litigation, arbitration and shareholders' disputes relating to ZJIC and its chairman, general manager and substantial shareholders; no incident in which ZJIC reasonably believes would give rise to adverse impact on it in foreseeable future which has not yet been disclosed to the joint lead underwriters;
- (6) publication of the relevant documents for the proposed Listing on the website of Shenzhen Stock Exchange, and in the website and press designated by the CSRC; and
- (7) with sufficient proof to the joint lead underwriters, to prove the obtaining of all of the necessary permit(s) and approval(s), completion of all procedures, compliance with all applicable rules and regulations for the proposed Listing.

**Underwriting
Commitment:**

The A Shares to be offered in the proposed Listing will be issued at par with a nominal value of RMB1.00 each. The number of A Shares to be issued in the public offering of the proposed Listing is determined by ZJIC and the joint lead underwriters, subject to the actual capital demand and market conditions, and as final approved in the registration of the CSRC.

Upon satisfaction of the conditions precedent of the Underwriting Agreement, the joint lead underwriters, shall underwrite the A Shares to be offered at the proposed Listing by way of standby commitment underwriting in accordance with the terms of the Underwriting Agreement.

**Underwriting
Service Fees:**

The aggregate underwriting fees that ZJIC has agreed to pay to the joint lead underwriters are 4.9% of the actual amount of capital raised from the public offering of the proposed Listing, which is estimated to be RMB1.5 billion as set out in the prospectus of ZJIC. 55% of the total underwriting fees will be paid to Zheshang Securities, which is estimated to be RMB40,425,000.

The underwriting commission rate is determined based on competitive negotiations, in which, other than Zheshang Securities and Haitong Securities as a consortium, there were two other participants who are independent third parties. The factors for assessment included, but were not limited to pass rate of IPO review, team members' credentials, working proposal and past performance on IPO projects.

The underwriting fees will be deducted from the proceeds of the public offering of the proposed Listing.

Termination:

The Underwriting Agreement can be terminated by a party, upon the occurrence of any of the following events:

- (1) the non-performance or any material contravention of the terms of the Underwriting Agreement as a result of which the Underwriting Agreement is rendered unenforceable or the continuing enforcement of the Underwriting Agreement will result in a foreseeable material loss to the other party;
- (2) that it is impossible to continue the performance of the Underwriting Agreement caused by false or misleading representations, warranties and undertakings provided by the other party; or
- (3) any contravention of the confidentiality obligations contained in the Underwriting Agreement.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE UNDERWRITING AGREEMENT

One of the principal businesses of Zheshang Securities is securities underwriting and securities sponsorship. The transaction contemplated under the Underwriting Agreement falls within the principal business activities of Zheshang Securities. The Directors consider that such transaction will have a positive income contribution to the Group and are financially beneficial to the Group and the Shareholders as a whole. The Directors consider that the terms of the Underwriting Agreement were reached on an arm's length basis between the parties and not less favorable than those provided by other financial institutions under similar agreements.

The Directors (including the independent non-executive Directors) are of the view that the Underwriting Agreement was entered into in the ordinary and usual course of business of Zheshang Securities and the terms contained therein are normal commercial terms and the Underwriting Agreement is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Mr. Yu Zhihong, Mr. Yuan Yingjie, Mr. Fan Ye and Mr. Huang Jianzhang (as at the time when the Board considered the Underwriting Agreement), being Directors, are deemed to have material interests in the Underwriting Agreement as they are currently also employed by Communications Group and have abstained from voting on the relevant Board resolution. Other than those Directors mentioned above, none of the Directors have a material interest in the transaction contemplated under the Underwriting Agreement, and none are required to abstain from voting on the relevant resolution of the Board.

INFORMATION ON THE PARTIES

The Company is a joint stock company established under the laws of the PRC with limited liability on March 1, 1997, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0576), 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.

Zheshang Securities is a joint stock limited company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601878). It is a non-wholly owned subsidiary owned as to approximately 54.79% by Shangsans Co, a company owned as to approximately 73.63% by the Company. Zheshang Securities is principally engaged in the provision of security brokerage, securities margin trading, security lending, security underwriting, asset management, advisory services and security trading.

ZJIC is a joint stock limited company established under the laws of the PRC. It is a non-wholly owned subsidiary owned as to approximately 55.08% by Communications Group. ZJIC is primarily 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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. ZJIC, owned as to approximately 55.08% by Communications Group, is a connected person of the Company. Zheshang Securities is a non-wholly owned subsidiary of the Company. As a result, the transaction contemplated under the Underwriting Agreement constituted a connected transaction of the Company.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the respective transactions contemplated under the Underwriting Agreement and the IPO Sponsorship Agreement were entered into or completed within a 12-month period with ZJIC, a connected person of the Company, the transactions contemplated under the Underwriting Agreement and the IPO Sponsor Agreement are required to be aggregated for the calculation of the relevant percentage ratio to determine the classification of the transactions contemplated under the Underwriting Agreement.

Pursuant to the IPO Sponsor Agreement, Zheshang Securities has been engaged as an IPO sponsor to provide IPO sponsorship services for the proposed Listing. The total amount of sponsorship fee payable by ZJIC to Zheshang Securities for the proposed Listing amounts to RMB825,000.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the underwriting fee receivable by Zheshang Securities under the transaction contemplated under the Underwriting Agreement, after aggregating with the transaction under the IPO Sponsor Agreement, is more than 0.1% but all of them are less than 5%, the transaction contemplated under the Underwriting Agreement is therefore subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event that Zheshang Securities will receive an amount of underwriting fee that renders any one of the applicable ratios exceeds 5%, the Company will comply with the then applicable requirements under the Listing Rules as appropriate, including but not limited to publishing a further announcement and/or obtaining approval from the Shareholders where applicable.

The Underwriting Agreement is conditional upon the satisfaction of various conditions precedent set out therein and accordingly, the completion of the Underwriting Agreement and the transaction contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution in dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“A Share(s)”	A share(s) of ZJIC, which is(are) proposed to be listed on the Shenzhen Stock Exchange
“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 wholly state-controlled enterprise established in the PRC and the controlling shareholder of the Company and ZJIC
“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 incorporated in the PRC with limited liability
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company, including the independent non-executive directors
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Haitong Securities”	Haitong Securities Co., Ltd. (海通證券股份有限公司), a joint stock limited company established under the laws of the PRC in 1988

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of A Shares of ZJIC on the Shenzhen Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shangsan Co”	Zhejiang Shangsan Expressway Co., Ltd.* (浙江上三高速公路有限公司), an approximately 73.63% owned subsidiary of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“IPO Sponsor Agreement”	the agreement dated September 27, 2021 entered into between ZJIC and Zheshang Securities, pursuant to which ZJIC has engaged Zheshang Securities as a sponsor in respect of the proposed Listing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriting Agreement”	the agreement dated April 6, 2023 entered into between ZJIC, Zheshang Securities and Haitong Securities, pursuant to which ZJIC has engaged Zheshang Securities as a lead underwriter in respect of the public offering of the proposed Listing
“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 under the laws of the PRC and an approximately 55.08% owned subsidiary of the Communications Group

“Zheshang Securities” Zheshang Securities Co., Ltd. (浙商證券股份有限公司), a joint stock limited company established under the laws of the PRC in May 2002 and an approximately 54.79% owned subsidiary of Shangsang Co

“%” per cent

* *For identification purpose only.*

By Order of the Board
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, April 6, 2023

As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive Directors of the Company are: Mr. CHEN Ninghui and Mr. YUAN Yingjie; 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. CHEN Bin.