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

CONNECTED TRANSACTION DATA PROCESSING AND STORAGE PROJECT CONTRACT

DATA PROCESSING AND STORAGE PROJECT CONTRACT

On April 12, 2024 (after trading hours), Zhijiang Intelligent Communications, a non-wholly owned subsidiary of the Company, entered into the Data Processing and Storage Project Contract with HangNing Co, pursuant to which Zhijiang Intelligent Communications was engaged by HangNing Co to provide services to develop and deploy software algorithms for data processing and storage with respect to HangNing Expressway.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. HangNing Co, being an associate of Communications Group, is a connected person of the Company and as a result, the transaction contemplated under the Data Processing and Storage Project Contract constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the transaction contemplated under the Data Processing and Storage Project Contract and the Previous Transactions were entered into or completed within a 12-month period with associates of the same connected person (i.e. Communications Group). The transaction contemplated under the Data Processing and Storage Project Contract and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transaction contemplated under the Data Processing and Storage Project Contract.

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

DATA PROCESSING AND STORAGE PROJECT CONTRACT

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Principal terms of the Data Processing and Storage Project Contract are summarized as below:

Date:	April 12, 2024
Parties:	(1) HangNing Co; and (2) Zhijiang Intelligent Communications
Subject matters:	With respect to the large volume of traffic incidents and traffic situation data incurred by HangNing Expressway, Zhijiang Intelligent Communications will utilize big data platform resources as the foundation for data storage, perform real-time data processing, which will meet the data requirements of the business systems and ultimately enable effective detection of traffic incidents, enhance road supervision capabilities, reduce accident risks and improve traffic efficiency.
Term:	Project period of 30 calendar days and default liability period of 1 year.
Consideration:	The consideration is RMB8,500,000.

Basis of Consideration: The consideration under the Data Processing and Storage Project Contract was determined with reference to a list of market prices for each item under the Data Processing and Storage Project Contract recommended and reviewed by Zhejiang Kewei Project Consulting Co., Ltd.* (浙江科威工程諮詢有限公司), an independent third party who has taken into account factors such as the project's bill of quantities, market prices and the difficulty of software development together with the estimated research and development cost expected to be incurred by Zhijiang Intelligent Communications under the Data Processing and Storage Project Contract.

Terms of payment: 97% of the project's settlement amount will be paid upon a delivery acceptance inspection and the remaining 3% of the settlement amount will be held as a quality guarantee deposit, which will be paid after expiration of the defect liability period and issuance of defect liability period termination certificate.

REASONS FOR AND BENEFITS OF THE DATA PROCESSING AND STORAGE PROJECT CONTRACT

Zhijiang Intelligent Communications is principally engaged in the development of intelligent transportation systems and the analysis of traffic big data. By entering into the Data Processing and Storage Project Contract and the transaction thereunder, Zhijiang Intelligent Communications will be able to not only generate income through the provision of relevant services but also accumulates relevant project experience, which will contribute to the development of Zhijiang Intelligent Communications. The transaction contemplated under the Data Processing and Storage Project Contract is and will be conducted on normal commercial terms, where the consideration paid by the HangNing Co to Zhijiang Intelligent Communications will not be lower than the average market price and will not be less favorable than those provided by independent third parties to Zhijiang Intelligent Communications for similar services.

Given the above, the Directors (including the independent non-executive Directors) who are not required to abstain from voting in the relevant Board resolution, are of the view that the terms of the Data Processing and Storage Project Contract are on normal commercial terms, are fair and reasonable and in the interests of the Company and the 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..

Zhijiang Intelligent Communications is a limited liability company established in the PRC on April 27, 2023. As at the date of this announcement, Zhijiang Intelligent Communications is a 98% owned subsidiary of the Company. It is principally engaged in technical services, development, consulting, exchange, transfer and promotion, cloud computing equipment technology services and data processing and storage support services.

HangNing Co was established under the laws of the PRC, and is owned as to 35.7% by Communications Group, 30% by the Company, 21.753% by Huzhou Communications Investment Group Co., Ltd.* (湖州市交通投資集團有限公司) and 12.547% by Changxing Communications Investment Group Co., Ltd.* (長興交通投資集團有限公司) as at the time of this announcement. HangNing Co is principally engaged in the operation and management of toll rights of the Zhejiang Section of HangNing Expressway with a total length of 99 kilometers.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is a controlling shareholder of the Company. HangNing Co, being an associate of Communications Group, is a connected person of the Company and as a result, the transaction contemplated under the Data Processing and Storage Project Contract constitutes a connected transaction 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 transaction contemplated under the Data Processing and Storage Project Contract and the Previous Transactions were entered into or completed within a 12-month period with associates of the same connected person (i.e. Communications Group). The transaction contemplated under the Data Processing and Storage Project Contract and the Previous Transactions are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transaction contemplated under the Data Processing and Storage Project Contract.

The Previous Transactions refer to a total of 26 transactions entered into or completed within a 12-month period prior to the date of this announcement by Zhijiang Intelligent Communications and the various associates of Communications Group in relation to provision of development and sales of software and data processing services. The Previous Transactions were 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 until the transaction set out in the Data Processing and Storage Project Contract. The key terms of the Previous Transactions, such as nature of transaction, basis of consideration and terms of payment, largely resemble those of the Data Processing and Storage Project Contract. The individual consideration receivable by Zhijiang Intelligent Communications ranges from RMB25,000 to RMB3,169,200 and the aggregate amount of the consideration receivable by Zhijiang Intelligent Communications for the Previous Transactions amounts to RMB12,513,050. Pursuant to the Data Processing and Storage Project Contract, the total consideration receivable by Zhijiang Intelligent Communications is RMB8,500,000.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Data Processing and Storage Project Contract, after aggregating the Previous Transactions, are more than 0.1% but less than 5%, the transaction contemplated under the Data Processing and Storage Project Contract is 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 Data Processing and Storage Project Contract 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 have a material interest in the transaction contemplated under the Data Processing and Storage Project Contract, and none are required to abstain from voting on the relevant resolution of the Board.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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, 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”	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
“Data Processing and Storage Project Contract”	the agreement dated April 12, 2024 between Zhijiang Intelligent Communications and HangNing Co in relation to provision of data processing and storage services to HangNing Expressway
“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
“HangNing Co”	Zhejiang HangNing Expressway Co., Ltd.* (浙江杭寧高速公路有限責任公司), an associate of Communications Group as at the date of this announcement
“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”	the agreements entered into or completed within a 12-month period prior to the date of the Data Processing and Storage Project Contract by Zhijiang Intelligent Communications and the various associates of Communications Group in relation to provision of development and sales of software and data processing services
“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
“Zhijiang Intelligent Communications”	Zhejiang Zhijiang Intelligent Communications Technology Co., Ltd.* (浙江之江智能交通科技有限公司), a 98% owned subsidiary of the Company as at the date of this announcement
“%”	per cent.

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

Hangzhou, the PRC, April 12, 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. CHEN Bin.

* For identifications only.