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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 TRANSACTIONS
NETWORK TOLL COLLECTION SYSTEM UPGRADE AND
RENOVATION CONTRACTS

NETWORK TOLL COLLECTION SYSTEM UPGRADE AND RENOVATION CONTRACTS

On April 30, 2024 (after trading hours), the relevant subsidiaries of the Company entered into the Network Toll Collection System Upgrade and Renovation Contracts with Zhejiang Information to engage Zhejiang Information for update and renovation of network toll collection system of the Group.

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 Network Toll Collection System Upgrade and Renovation Contracts 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 Network Toll Collection System Upgrade and Renovation Contracts and the Previous Transactions were entered into or completed within a 12-month period with Zhejiang Information, a connected person of the Company, the transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts 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 Network Toll Collection System Upgrade and Renovation Contracts.

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

NETWORK TOLL COLLECTION SYSTEM UPGRADE AND RENOVATION CONTRACTS

Introduction

On April 30, 2024 (after trading hours), the relevant subsidiaries of the Company entered into the Network Toll Collection System Upgrade and Renovation Contracts with Zhejiang Information to engage Zhejiang Information for update and renovation of network toll collection system of the Group.

Principal Terms

Principal terms of the Network Toll Collection System Upgrade and Renovation Contracts are summarized as below:

- Dates:** April 30, 2024 (after trading hours)
- Parties:** (i) the relevant subsidiaries of the Company
(ii) Zhejiang Information
- Scope of services:** Zhejiang Information agreed to provide equipment procurement, installation, construction, debugging and follow-up services for projects to transform toll station server with enhanced availability, construct/reconstruct toll station entrance weighing system, improve the network security protection capability, optimize data aggregation platform for toll stations, optimize mixed lane system and conduct pilot project for trucks non-stop entry into ETC lane.
- Term:** Service period of 2 months, trial operation period of 3 months, default liability period of 36 months (including 60 months for key equipment).
- Consideration:** The consideration of RMB26,845,079.86.
- Basis of consideration:** The total consideration under the Network Toll Collection System Upgrade and Renovation Contracts was determined by public tender procedures, in which, other than Zhejiang Information, there were three other bidders who are independent third party service providers. The factors for assessment included, but were not limited to:
- (i) business aspect: the bidder's qualifications and performance;

- (ii) technical aspect: compatibility and integration with the existing system, the reasonable utilization plan for existing facilities as well as the brand, technical specifications, performance indicators and usage of selected major equipment; the rationality, specificity and feasibility of the construction organization plan and measures to ensure the project timeline; after-sale service plan and fault response; relevant safety production measures; and
- (iii) tender price.

Terms of payment:

- (i) First installment: up to the amount equal to 10% of the total contract price shall be paid to Zhejiang Information upon the signing of the Network Toll Collection System Upgrade and Renovation Contracts, which is deemed as prepayment for the services (temporary payment exclusive).
- (ii) Second installment: up to the amount equal to 80% of the completed construction work shall be paid to Zhejiang Information upon the completion, installation and debugging of the project and subject to acceptance of preliminary examination.
- (iii) Third installment: up to the amount equal to 97% of the total settlement price shall be paid to Zhejiang Information upon three months after expiration of the trial operation period and subject to acceptance of the project.
- (iv) Last installment: the remaining 3% shall be paid to Zhejiang Information upon expiry of the defect liability period.

REASONS FOR AND BENEFITS OF THE NETWORK TOLL COLLECTION SYSTEM UPGRADE AND RENOVATION CONTRACTS

Being a subsidiary of Communications 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 information technology products research and development services and expressway mechanical and electrical engineering services to the Group. With these capabilities, Zhejiang Information will be able to provide all the services as contemplated in the Network Toll Collection System Upgrade and Renovation Contracts.

The transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts are and will be conducted in the ordinary and usual course of business of the Group, and the consideration paid by the Group to 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 Network Toll Collection System Upgrade and Renovation Contracts have been 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 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 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 65.85% owned 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 Network Toll Collection System Upgrade and Renovation Contracts 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 Network Toll Collection System Upgrade and Renovation Contracts and the Previous Transactions were entered into or completed within a 12-month period with Zhejiang Information, a connected person of the Company, the transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts 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 Network Toll Collection System Upgrade and Renovation Contracts.

The Previous Transactions refer to a total of four transactions entered into or completed within 12-month period prior to the date of this announcement between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services, which consist of the relevant agreements entered into with Zhejiang Information as disclosed in the announcements of the Company dated May 31, 2021 and October 27, 2023. The key terms of the Previous Transactions, including nature of transaction, basis of consideration and terms of payment, largely resemble those of the Network Toll Collection System Upgrade and Renovation Contracts. The individual service fee payable by the Group ranges from RMB1,000,000 to RMB9,607,510.29 and the aggregate amount of the service fees payable by the Group to Zhejiang Information under the Previous Transactions amounts to RMB16,845,390.29.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts, after aggregating with the Previous Transactions, are more than 0.1% but less than 5%, the transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts 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 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 has a material interest in the transactions contemplated under the Network Toll Collection System Upgrade and Renovation Contracts, and none is 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:

“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 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
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Network Toll Collection System Upgrade and Renovation Contracts”	the agreements dated April 30, 2024 between the relevant subsidiaries of the Company and Zhejiang Information in relation to provision of network toll collection system upgrade and renovation related services
“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”	four transactions entered into or completed within a 12-month period prior to the date of the Network Toll Collection System Upgrade and Renovation Contracts between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services as disclosed in the announcements of the Company dated May 31, 2021 and October 27, 2023.
“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
“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, April 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. CHEN Bin.