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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)

REALLOCATION AND CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus (the "**Prospectus**") of Zhejiang Expressway Co., Ltd. (the "**Company**") dated November 21, 2023 in relation to the rights issue (the "**Rights Issue**"). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Prospectus.

The Board would like to provide an update on the proposed reallocation and change in use of proceeds from the Rights Issue in the manner as set out below.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Prospectus, the net proceeds of approximately RMB6.12 billion (the "**Net Proceeds**") from the Rights Issue shall be applied (i) approximately RMB5.20 billion for expenses of the reconstruction and expansion projects of existing expressways; and (ii) approximately RMB0.92 billion for daily operating expenses such as replenishment of liquidity and repayment of borrowings to support the development of the Group's core expressway business.

REALLOCATION AND CHANGE IN USE OF PROCEEDS

As at the December 31, 2025, a total of approximately RMB1.37 billion of the Net Proceeds from the Rights Issue had been utilized by the Group for expenses of the reconstruction and expansion projects of existing expressways and approximately RMB0.80 billion of the Net Proceeds from the Rights Issue had been utilized by the Group for daily operating expenses such as replenishment of liquidity and repayment of borrowings, according to the allocation as set out in the Prospectus. The remaining net proceeds from the Rights Issue amount to approximately RMB3.95 billion (the "**Remaining Net Proceeds**").

After detailed evaluation of the progress of the Group's reconstruction and expansion projects and the actual funding needs for the Group's operations, the Board has resolved to change the use of the Remaining Net Proceeds where approximately RMB1.5 billion of the Net Proceeds from the Rights Issue previously allocated to expenses of the reconstruction and expansion projects of existing expressways will be applied for daily operating expenses such as replenishment of liquidity and repayment of borrowings. The allocation of the Remaining Net Proceeds is set out as follows:

(i) approximately RMB2.33 billion for expenses of the reconstruction and expansion projects of existing expressways, and is expected to be used up by December 31, 2028 (It is expected that RMB0.94 billion, RMB0.94 billion and RMB0.45 billion will be utilized in each of the three years ending December 31, 2028 respectively. The timeline for utilizing the proceeds is subject to and will be adjusted accordingly based on the actual progress of the investment projects); and

(ii) approximately RMB1.62 billion for daily operating expenses such as replenishment of liquidity and repayment of borrowings, and is expected to be used up by December 31, 2026.

Save for the disclosed herein, there is no other change in the use of the Net Proceeds.

REASONS FOR AND BENEFITS OF REALLOCATION AND CHANGE IN USE OF PROCEEDS

In view of the progress of the reconstruction and expansion projects and the actual funding requirements of the projects and daily operating expenses, the Company proposes to optimize the use of the Net Proceeds by reallocating RMB1.5 billion of the Net Proceeds originally allocated for expenses of the reconstruction and expansion projects of existing expressways to daily operating expenses such as replenishment of liquidity and repayment of borrowings. This reallocation is expected to enhance the Company's overall financial and cash flow management, reduce financing costs and leverage, and thereby provide more flexible and robust funding support for the Company's ongoing operations and the orderly implementation of the project.

The Board confirms that there is no material change in the nature of the business of the Group as set out in the Prospectus.

Save as disclosed in this announcement, the Board does not anticipate any other change to the plan as to the use of the Remaining Net Proceeds.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Zhejiang Expressway Co., Ltd.
Tony Zheng
Company Secretary

Hangzhou, the PRC, December 31, 2025

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. ZHAO Xilong, 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.