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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)

UPDATE ON THE MAJOR TRANSACTION AND CONNECTED TRANSACTIONS IN RELATION TO THE CAPITAL INCREASE AND DEEMED DISPOSAL OF THE EQUITY INTEREST IN SHANGSAN CO
TERMINATION AGREEMENT

References are made to (i) the announcements dated June 15, 2022, November 30, 2022 and December 27, 2024 and August 28, 2025 of Zhejiang Expressway Co., Ltd. (the "**Company**"); and (ii) the circular dated September 21, 2022 (the "**Circular**") of the Company in respect of the possible major transaction and connected transactions in relation to the Capital Increase and deemed disposal of the equity interest in Shangsan Co. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in the Circular.

BACKGROUND

Pursuant to the Capital Increase Agreement, the registered capital of Shangsan Co would be increased from approximately RMB5.38 billion up to the maximum amount of RMB7.77 billion, of which Communications Group and the Existing Shareholders would contribute in the aggregate amount of up to approximately RMB13.17 billion for the Capital Increase.

As at the date of this announcement, Communications Group and the Existing Shareholders have contributed a total amount of RMB6 billion for the Capital Increase, where the paid-in registered capital of Shangsan Co has increased by RMB1,086,978,483 and its capital reserve has increased by RMB4,913,021,517. With reference to the maximum amount of contribution for the Capital Increase, the amount of RMB7.174 billion remained unpaid.

TERMINATION AGREEMENT

On March 16, 2026, Shangsan Co, the Company, the Existing Shareholders and Communications Group, being parties to the Capital Increase Agreement, entered into a termination agreement (the "**Termination Agreement**"), pursuant to which parties agreed to terminate the remaining unpaid capital contributions under the Capital Increase Agreement and its supplemental agreements, with no further liability among the parties for the termination.

The Termination Agreement confirms that the Capital Increase shall be determined by the amounts already paid as of the signing date, and all parties are released from any obligation to pay the remaining subscription consideration or to pursue contractual breach liabilities arising from non-payment of the remaining amounts.

SHAREHOLDING OF SHANGSAN CO

Details of the shareholding structure of Shangsan Co in accordance with its paid-in registered capital as at the date of this announcement are set out below:

	Shareholding in Shangsan Co as at the date of this announcement	
Name of Shareholder	**Amount of paid-in registered capital** *(RMB)*	**Approximate percentage of the total paid-in registered capital**
The Company	3,961,025,000	61.250%
China Merchants	1,188,307,296	18.375%
Tiantai State Capital	323,348,924	5.000%
Shangyu Transportation	194,009,354	3.000%
Communication Group	800,287,909	12.375%
	6,466,978,483	**100.00%**

As at the date of this announcement, Shangsan Co is owned as to 61.250% by the Company and remains a subsidiary of the Company and the financial results of Shangsan Co continues to be consolidated into the consolidated financial statements of the Group.

In connection with the Termination Agreement, the registered capital and shareholding structure of Shangsan Co shall align with the paid-in amounts, and Shangsan Co will process a reduction of unpaid registered capital at the amount of RMB1,299,663,939 with administration for market regulation to reconcile the previously registered post-increase capital (RMB7,766,642,422) to the paid-in registered capital (RMB6,466,978,483). No consideration will be paid to any shareholder in respect of the registered capital reduction, as the reduced portion was not paid in.

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

Hangzhou, the PRC, March 16, 2026

As at the date of this announcement, the Chairman of the Company is Mr. YUAN Yingjie; the executive Director of the Company is 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.