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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)

CONTINUING CONNECTED TRANSACTIONS

(1) THE DEDICATED ROAD MAINTENANCE AGREEMENTS; AND (2) EXPRESSWAY MECHANICAL AND ELECTRICAL SYSTEM MAINTENANCE AGREEMENTS

(1) THE DEDICATED ROAD MAINTENANCE AGREEMENTS

The Dedicated Maintenance Agreement On Pavements (Third Contract Section)

On May 31, 2021, LongLiLiLong Co, a wholly owned subsidiary of the Company, entered into the Dedicated Maintenance Agreement on Pavements (Third Contract Section) with Zhejiang Shunchang pursuant to which Zhejiang Shunchang agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section) operated by the LongLiLiLong Co.

The Dedicated Maintenance Agreement On Pavements (Fourth Contract Section)

On May 31, 2021, LongLiLiLong Co entered into the Dedicated Maintenance Agreement On Pavements (Fourth Contract Section) with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section) operated by the LongLiLiLong Co.

The Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section)

On May 31, 2021, LongLiLiLong Co entered into the Dedicated Maintenance Agreement on Roadbeds, Tunnels and Bridges (Third Contract Section) with Zhejiang Shunchang pursuant to which Zhejiang Shunchang agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section) operated by LongLiLiLong Co.

The Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section)

On May 31, 2021, LongLiLiLong Co entered into the Dedicated Maintenance Agreement on Roadbeds, Tunnels and Bridges (Fourth Contract Section) with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section) operated by LongLiLiLong Co.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group holds approximately 67% of the issued share capital of the Company. By virtue of this shareholding interest, Communications Group is a controlling shareholder (as defined under the Listing Rules) of the Company.

As at the date of this announcement, each of Jiaogong Maintenance and Zhejiang Shunchang is an indirect subsidiary of Communications Group. Therefore, Zhejiang Shunchang and Jiaogong Maintenance are connected persons of the Company and as a result, the respective transactions contemplated under the Dedicated Road Maintenance Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Dedicated Road Maintenance Agreements are required to be aggregated with the respective transactions contemplated under the Previous Road Maintenance Agreements which were continuing connected transactions entered into with the same connected persons.

As the applicable percentage ratios in respect of the aggregated annual cap for transactions contemplated under the Dedicated Road Maintenance Agreements and the Previous Road Maintenance Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Dedicated Road Maintenance Agreements and the Previous Road Maintenance Agreements will be subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(2) EXPRESSWAY MECHANICAL AND ELECTRICAL SYSTEM MAINTENANCE AGREEMENTS

On May 31, 2021, LongLiLiLong Co, entered into the Expressway Mechanical and Electrical System Maintenance Agreements and Zhejiang Information, pursuant to which LongLiLiLong Co agreed to purchase, and Zhejiang Information agreed to provide, certain expressway mechanical and electrical system maintenance services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Information is a 65.85% owned subsidiary of Communications Group. Therefore, Zhejiang Information is a connected person of the Company and as a result, the transactions under the Expressway Mechanical and Electrical System Maintenance Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements are required to be aggregated with the respective transactions contemplated under the Previous Agreements which were transactions entered into with the same connected person.

As the applicable percentage ratios in respect of the transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements, after aggregating the Previous Agreements, are more than 0.1% but less than 5%, the Expressway Mechanical and Electrical System Maintenance Agreements will be subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(1) THE DEDICATED ROAD MAINTENANCE AGREEMENTS

The Dedicated Maintenance Agreement On Pavements (Third Contract Section)

On May 31, 2021 (after trading hours), LongLiLiLong Co, a wholly owned subsidiary of the Company, entered into the Dedicated Maintenance Agreement On Pavements (Third Contract Section) with Zhejiang Shunchang, pursuant to which Zhejiang Shunchang agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section) operated by LongLiLiLong Co, which shall be completed on or prior to November 15, 2021.

Principal terms of the Dedicated Maintenance Agreement On Pavements (Third Contract Section) are summarised as below:

- Date: May 31, 2021 (after trading hours)
- Parties: (1) LongLiLiLong Co
(2) Zhejiang Shunchang
- Term: The service period is up to November 15, 2021, followed by a defect liability period of two years.
- Subject Matter: Zhejiang Shunchang agreed to undertake the dedicated maintenance projects, namely pavement disease treatment, overlay of pavement and other preventive dedicated maintenance projects, road marking improvement and other traffic safety related projects.
- Service Fees: The total service fees payable by LongLiLiLong Co to Zhejiang Shunchang shall be RMB7,128,655.
- Basis of Service Fees: The service fees were determined as a result of public tender. Other than Zhejiang Shunchang, there were three other independent service providers which made a bid. The tender evaluation committee took into account the following when making their decisions (including, but not limited to):
- (i) the tender price;
 - (ii) the service provider’s overall construction plans, the reasonableness and feasibility of the construction proposal, construction methods and technical measures of major construction projects;
 - (iii) the service provider’s safety management plan, emergency plan in the event of accidents, and safety guarantee measures;
 - (iv) quality and duration assurance measures;
 - (v) the qualifications and experience of the service provider’s project manager and chief engineer; and
 - (vi) the service provider’s past performance records and credibility.

According to the assessment made by the tender evaluation committee on March 23, 2021, Zhejiang Shunchang was the lowest bidder and successfully obtained the highest overall score among all the bidders, and therefore won the above tender.

Terms of payment: The payment will be made according to the following terms:

- (i) service fees shall be made in instalment which accounts for 95% of the service fee for each stipulated instalment. Such payment shall cease when it reaches 95% of the total service fee provided under the agreement;
- (ii) 2% of the total service fee to be payable after the completion of the auditing process; and
- (iii) 3% of the total service fees to be payable within 30 days after the expiry of the defect liability period.

Governing Law: The laws of the PRC.

The Dedicated Maintenance Agreement On Pavements (Fourth Contract Section)

On May 31, 2021 (after trading hours), LongLiLiLong Co entered into the Dedicated Maintenance Agreement On Pavements (Fourth Contract Section) with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section) operated by LongLiLiLong Co, which shall be completed on or prior to November 15, 2021.

Principal terms of the Dedicated Maintenance Agreement On Pavements (Fourth Contract Section) are summarised as below:

Date: May 31, 2021 (after trading hours)

Parties: (1) LongLiLiLong Co
(2) Jiaogong Maintenance

Term: The service period is up to November 15, 2021, followed by a defect liability period of 2 years.

Subject Matter: Jiaogong Maintenance agreed to undertake the dedicated maintenance projects, namely pavement disease treatment, overlay of pavement and other preventive dedicated maintenance projects, road marking improvement and other traffic safety related projects.

Service Fees: The total service fees payable by LongLiLiLong Co to Jiaogong Maintenance shall be RMB50,208,088.

Basis of Service Fees The service fees were determined as a result of public tender. Other than Jiaogong Maintenance, there were three other independent service providers which made a bid. The tender evaluation committee took into account the following when making their decisions (including, but not limited to):

- (i) the tender price;
- (ii) the service provider’s overall construction plans, the reasonableness and feasibility of the construction proposal, construction methods and technical measures of major construction projects;
- (iii) the service provider’s safety management plan, emergency plan in the event of accidents, and safety guarantee measures;
- (iv) quality and duration assurance measures;
- (v) the qualifications and experience of the service provider’s project manager and chief engineer; and
- (vi) the service provider’s past performance records and credibility.

According to the assessment made by the tender evaluation committee on March 23, 2021, Jiaogong Maintenance was the lowest bidder and successfully obtained the highest overall score among all the bidders, and therefore won the above tender.

Terms of payment: The payment will be made according to the following terms:

- (i) service fees shall be made in instalment which accounts for 95% of the service fee for each stipulated instalment. Such payment shall cease when it reaches 95% of the total service fee provided under the agreement;
- (ii) 2% of the total service fee to be payable after the completion of the auditing process; and
- (iii) 3% of the total service fees to be payable within 30 days after the expiry of the defect liability period.

Governing Law: The laws of the PRC.

The Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section)

LongLiLiLong Co entered into the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section) with Zhejiang Shunchang on May 31 2021 (after trading hours) pursuant to which Zhejiang Shunchang agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section) operated by the LongLiLiLong Co, which shall be completed on or prior to December 31, 2021.

Principal terms of the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section) are summarised as below:

Date: May 31, 2021 (after trading hours)

Parties: (1) LongLiLiLong Co
(2) Zhejiang Shunchang

Term: The service period is up to December 31, 2021, followed by a defect liability period of 2 years.

Subject Matter: Zhejiang Shunchang to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section), which includes sloping maintenance and other roadbed related projects; repair and reinforcement of diseased bridge, tunnel maintaining roadway repair and other bridge and tunnel related projects; signs and markings upgrades, sound barrier installation and other environment protection facility improvements related projects.

Service Fees: The total service fees payable by LongLiLiLong Co to Zhejiang Shunchang shall be RMB778,840.

Basis of Service Fees The service fees were determined as a result of public tender. Other than Zhejiang Shunchang, there were three other independent service providers which made a bid. The tender evaluation committee took into account the following when making their decisions (including, but not limited to):

- (i) the tender price;
- (ii) the service provider’s overall construction plans, the reasonableness and feasibility of the construction proposal, construction methods and technical measures of major construction projects;
- (iii) the service provider’s safety management plan, emergency plan in the event of accidents, and safety guarantee measures;
- (iv) quality and duration assurance measures;
- (v) the qualifications and experience of the service provider’s project manager and chief engineer; and
- (vi) the service provider’s past performance records and credibility.

According to the assessment made by the tender evaluation committee on April 25, 2021, Zhejiang Shunchang was the lowest bidder and successfully obtained the highest overall score among all the bidders, and therefore won the above tender.

Terms of payment: The payment will be made according to the following terms:

- (i) service fees shall be made in instalment which accounts for 95% of the service fee for each stipulated instalment. Such payment shall cease when it reaches 95% of the total service fee provided under the agreement;
- (ii) 3.5% of the total service fee to be payable after the completion of the auditing process; and
- (iii) 1.5% of the total service fees to be payable within 30 days after the expiry of the defect liability period.

Governing Law: The laws of the PRC.

The Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section)

On May 31, 2021, LongLiLiLong Co entered into the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section) with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to undertake the dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section) operated by LongliliLong Co, which shall be completed on or prior to December 31, 2021.

Principal terms of the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section) are summarised as below:

Date: May 31, 2021

- Parties:
- (1) LongLiLiLong Co
 - (2) Jiaogong Maintenance

Term: The service period is up to December 31, 2021, followed by a defect liability period of 2 years.

Subject Matter: Jiaogong Maintenance agreed to undertake dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section), which includes sloping maintenance and other roadbed related projects; repair and reinforcement of diseased bridge, tunnel maintaining roadway repair and other bridge and tunnel related projects; signs and markings upgrades, sound barrier installation and other environment protection facility improvements related projects.

Service Fees: The total service fees payable by LongLiLiLong Co to Jiaogong Maintenance shall be RMB13,652,085.

Basis of Service Fees The service fees were determined as a result of public tender. Other than Jiaogong Maintenance, there were three other independent service providers which made a bid. The tender evaluation committee took into account the following when making their decisions (including, but not limited to):

- (i) the tender price;
- (ii) the service provider’s overall construction plans, the reasonableness and feasibility of the construction proposal, construction methods and technical measures of major construction projects;
- (iii) the service provider’s safety management plan, emergency plan in the event of accidents, and safety guarantee measures;
- (iv) quality and duration assurance measures;
- (v) the qualifications and experience of the service provider’s project manager and chief engineer; and
- (vi) the service provider’s past performance records and credibility.

According to the assessment made by the tender evaluation committee on April 25, 2021, Jiaogong Maintenance was the lowest bidder and successfully obtained the highest overall score among all the bidders, and therefore won the above tender.

Terms of payment: The payment will be made according to the following terms:

- (i) service fees shall be made in instalment which accounts for 95% of the service fee for each stipulated instalment. Such payment shall cease when it reaches 95% of the total service fee provided under the agreement;
- (ii) 3.5% of the total service fee to be payable after the completion of the auditing process; and
- (iii) 1.5% of the total service fees to be payable within 30 days after the expiry of the defect liability period.

Governing Law: The laws of the PRC.

PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

In accordance with Rule 14A.53 of the Listing Rules, LongLiLiLong Co is required to set annual cap on the total amount of the Agreements payable. The proposed annual cap on the aggregate service fees of the Agreements payable by LongLiLiLong Co for 2021 is RMB73,000,000.

The proposed annual cap on the aggregate service fees of the Agreements is determined based on: (i) the historical maintenance cost incurred for the expressways operated by the Group; (ii) comparable prices available in the market; (iii) the expected maintenance services required for the expressways under the Agreements in 2021 taking into account of a reasonable buffer.

Pursuant to the Dedicated Maintenance Agreement On Pavements (Third Contract Section), the Dedicated Maintenance Agreement On Pavements (Fourth Contract Section), the total service fees payable by LongLiLiLong Co to Zhejiang Shunchang and Jiaogong Maintenance are RMB7,128,655 and RM50,208,088 respectively in 2021. Pursuant to the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section) and the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section), the total service fees payable by LongLiLiLong Co to Zhejiang Shunchang and Jiaogong Maintenance are RMB778,840 and RMB13,652,085 respectively in 2021. The aggregate services fees of the Agreements are RMB71,767,668, which do not exceed the proposed annual cap. If the actual total amount of the service fees made by LongLiLiLong Co under the Agreements shall exceed the abovementioned annual cap, the Company will re-comply with all applicable requirements under the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Jiaogong Maintenance and Zhejiang Shunchang fully understand business and operating needs of LongLiLiLong Co, and maintain effective communication to provide more quality services to LongLiLiLong Co. Both Jiaogong Maintenance and Zhejiang Shunchang has the relevant qualifications and experience to provide the Maintenance Services to LongLiLiLong Co.

In addition, LongLiLiLong Co went through a tender process and obtained the relevant quotations from other independent service providers to select the service provider of the Maintenance Services. Zhejiang Shunchang and Jiaogong Maintenance finally won the respective tenders.

The transactions contemplated under the Agreements are and will be conducted in the ordinary and usual course of business of the Group, and the consideration paid by LongLiLiLong Co to Jiaogong Maintenance and Zhejiang Shunchang, respectively, will not be higher than the average market price and will not be less favourable than those provided by other independent service providers to LongLiLiLong Co for similar services.

Given the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS IN RELATION TO THE DEDICATED ROAD MAINTENANCE AGREEMENTS

As at the date of this announcement, LongLiLiLong Co is a wholly owned subsidiary of the Company. As at the date of this announcement, Communications Group holds approximately 67% of the issued share capital of the Company. By virtue of this shareholding interest, Communications Group is a controlling shareholder (as defined under the Listing Rules) of the Company.

As at the date of this announcement, each of Jiaogong Maintenance and Zhejiang Shunchang is an indirect subsidiary of Communications Group. Therefore, Zhejiang Shunchang and Jiaogong Maintenance are connected persons of the Company and as a result, the respective transactions contemplated under the Dedicated Road Maintenance Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Dedicated Road Maintenance Agreements are required to be aggregated with the respective transactions contemplated under the Previous Road Maintenance Agreements which were continuing connected transactions entered into with the same connected persons.

As the applicable percentage ratios in respect of the aggregated annual cap for transactions contemplated under the Dedicated Road Maintenance Agreements and the Previous Road Maintenance Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Dedicated Road Maintenance Agreements and the Previous Road Maintenance Agreements will be subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Yu Zhihong, Mr. Dai Benmeng, Mr. Yuan Yingjie and Mr. Fan Ye, being Directors, are deemed to have material interests in the Dedicated Road Maintenance Agreements as they are also employed by the Communications Group as at the date of Board meeting on April 30, 2021 and have abstained from voting on the relevant Board resolutions. Other than those Directors mentioned above, none of the Directors have a material interest in the transactions contemplated under the Dedicated Road Maintenance Agreements, and none are required to abstain from voting on the relevant resolutions of the Board.

(2) THE EXPRESSWAY MECHANICAL AND ELECTRICAL SYSTEM MAINTENANCE AGREEMENTS

On May 31, 2021 (after trading hours), LongLiLiLong Co entered into the Expressway Mechanical and Electrical System Maintenance Agreements with Zhejiang Information, a 65.85% owned subsidiary of Communications Group, pursuant to which LongLiLiLong Co agreed to purchase, and Zhejiang Information agreed to provide, expressway mechanical and electrical system maintenance services.

Principal terms of the Expressway Mechanical and Electrical System Maintenance Agreements are set out below:

Date:	May 31, 2021 (after trading hours)
Parties:	(1) LongLiLiLong Co; and (2) Zhejiang Information
Subject Matter:	Expressway mechanical and electrical system maintenance services of certain expressway under management of LongLiLiLong Co, which include, but not limited to (i) expressway mechanical and electrical equipment and device maintenance; and (ii) tunnel equipment and device maintenance and cleaning
Term:	For three years ending May 30, 2024

Service Fees: The annual service fees payable by LongLiLiLong Co to Zhejiang Information will be RMB4,829,647.84, which amount to RMB14,488,943.52 in total for three years

Basis of service fees: The service fees were determined as a result of public tender. Other than Zhejiang Information, there were eight other independent service providers which made a bid. The tender evaluation committee took into account the following when making their decisions (including, but not limited to):

- (i) Business assessment, including but not limited to, the qualification and experience of similar services, credibility and financial status of the service provider, and project manager;
- (ii) Technical assessment, including but not limited to, service outline and implementation plan, work allocation and management, maintenance plan and safeguard measure, mechanical equipment and spare parts allocation plan and resources reserved; and
- (iii) tender price.

According to the assessment made by the tender evaluation committee on March 25, 2021, Zhejiang Information successfully obtained the highest overall score among all the bidders, and therefore won the above tender.

Terms of Payment: Payment will be made by LongLiLiLong Co based on the actual services provided by Zhejiang Information on a quarterly basis:

- (a) payment for expressway mechanical and electrical equipment and device maintenance will be made based on actual maintenance and repair costs minus assessment deduction; and
- (b) payment for tunnel equipment and device maintenance and cleaning will be made based on actual services provided minus assessment deduction.

Governing Law: The laws of the PRC

PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

For the purpose of complying with Chapter 14A of the Listing Rules, the Company has set annual cap in respect of the aggregate fees payable by LongLiLiLong Co to Zhejiang Information during the term of the Expressway Mechanical and Electrical System Maintenance Agreements, which shall not exceed RMB5,000,000.

The proposed annual cap on the aggregate service fees of the Expressway Mechanical and Electrical System Maintenance Agreements was determined after arm's length negotiation between the parties and with reference to comparable prices available in the market.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As a subsidiary of the Communications Group, Zhejiang Information fully understands 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 experience to provide the expressway mechanical and electrical system maintenance services to LongLiLiLong Co.

In addition, LongLiLiLong Co went through a tender process and obtained the relevant quotations from other independent service providers to select the service provider. Zhejiang Information finally won the respective tender.

The transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements are and will be conducted in the ordinary and usual course of business of the Group, and the consideration paid by LongLiLiLong Co to Zhejiang Information will not be higher than the average market price and will not be less favourable than those provided by other independent service providers to LongLiLiLong Co for similar services.

Given the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Expressway Mechanical and Electrical System Maintenance Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS IN RELATION TO THE EXPRESSWAY MECHANICAL AND ELECTRICAL SYSTEM MAINTENANCE AGREEMENTS

As at the date of this announcement, Zhejiang Information is a 65.85% owned subsidiary of Communications Group. Therefore, Zhejiang Information is a connected person of the Company and as a result, the transactions under the Expressway Mechanical and Electrical System Maintenance Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements are required to be aggregated with the respective transactions contemplated under the Previous Agreements which were transactions entered into with the same connected person.

As the applicable percentage ratios in respect of the transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements, after aggregating the Previous Agreements, are more than 0.1% but less than 5%, the Expressway Mechanical and Electrical System Maintenance Agreements will be subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Yu Zhihong, Mr. Dai Benmeng, Mr. Yuan Yingjie and Mr. Fan Ye, being Directors, are deemed to have material interests in the Expressway Mechanical and Electrical System Maintenance Agreements as they are also employed by the Communications Group as at the date of Board meeting on April 30, 2021 and have abstained from voting on the relevant Board resolutions. Other than those Directors mentioned above, none of the Directors have a material interest in the transactions contemplated under the Expressway Mechanical and Electrical System Maintenance Agreements, and none are required to abstain from voting on the relevant resolutions of the Board.

INFORMATION ON THE PARTIES

LongLiLiLong Co is a limited liability company established under the law of PRC on April 8, 2005. LongLiLiLong Co is principally engaged in the operation and management of toll collection business of the LongLiLiLong Expressways located in Zhejiang Province, the PRC, with a total length of 222.2 kilometres. As of the date of this Announcement, LongLiLiLong Co is a wholly owned subsidiary of the Company.

Jiaogong Maintenance is an indirect subsidiary of Communications Group which was established under the laws of the PRC on January 18, 2006. Jiaogong Maintenance is principally engaged in the road construction projects and toll road maintenance.

Zhejiang Shunchang is an indirect subsidiary of Communications Group which was established under the laws of the PRC on November 11, 2003. Zhejiang Shunchang is principally engaged in the road construction projects and toll road maintenance.

Zhejiang Information is a subsidiary of Communications Group which was established under the laws of the PRC on July 22, 2004. Zhejiang Information is principally engaged in research and development, manufacturing and sales of intelligent transportation and information technology products, road tolling, communication and surveillance systems, provision of technical advisory services for electrical and mechanical systems of tunnels, professional technical support services and engineering, procurement and construction services.

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 wholly state-owned 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 shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing 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
“Dedicated Road Maintenance Agreements”	collectively the Dedicated Maintenance Agreement On Pavements (Third Contract Section), the Dedicated Maintenance Agreement On Pavements (Fourth Contract Section), the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section) and the Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section)
“Dedicated Maintenance Agreement On Pavements (Third Contract Section)”	the agreement dated May 31, 2021 entered into between LongLiLiLong Co and Zhejiang Shunchang in relation to the provision of services for dedicated maintenance projects of LongLiLiLong Expressway (Quzhou Section) operated by the LongLiLiLong Co
“Dedicated Maintenance Agreement On Pavements (Fourth Contract Section)”	the agreement dated May 31, 2021 entered into between LongLiLiLong Co and Jiaogong Maintenance in relation to the provision of services for dedicated maintenance projects of LongLiLiLong Expressway (Lishui Section) operated by the LongLiLiLong Co

“Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Third Contract Section)”	the agreement dated May 31, 2021 entered into between LongLiLiLong Co and Zhejiang Shunchang in relation to the provision of services for dedicated maintenance projects in relation to roadbeds, tunnels and bridges of LongLiLiLong Expressway (Quzhou Section) operated by the LongLiLiLong Co
“Dedicated Maintenance Agreement On Roadbeds, Tunnels And Bridges (Fourth Contract Section)”	the agreement dated May 31, 2021 entered into between LongLiLiLong Co and Jiaogong Maintenance in relation to the provision of services for dedicated maintenance projects in relation to roadbeds, tunnels and bridges of LongLiLiLong Expressway (Lishui Section) operated by the LongLiLiLong Co
“Director(s)”	the director(s) of the Company
"Expressway Mechanical and Electrical System Maintenance Agreements"	the expressway mechanical and electrical system maintenance agreements dated May 31, 2021 entered into between LongLiLiLong Co and Zhejiang Information, pursuant to which, Zhejiang Information agreed to provide certain expressway mechanical and electrical system maintenance services.
“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 primarily listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiaogong Maintenance	Zhejiang Jiaogong High-grade Expressway Maintenance Co., Ltd.* (浙江交工高等級公路養護有限公司), an indirectly non-wholly owned subsidiary of Communications Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“LongLiLiLong Co”	Zhejiang LongLiLiLong Expressway Co., Ltd.* (浙江龍麗麗龍高速公路有限公司), a limited liability company established in the PRC and entirely owned by the Company as at the date of this announcement

“Maintenance Co”	Zhejiang Expressway Maintenance Co., Ltd* (浙江滬杭甬養護工程有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of Communications Group
“percentage ratio”	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 Agreements"	the agreements entered into within a 12-month period prior to the date of the Expressway Mechanical and Electrical System Maintenance Agreements between or among the Group and Zhejiang Information in relation to mechanical and electrical engineering services dated March 16, 2020, October 14, 2020, December 16, 2020 respectively
“Previous Road Maintenance Agreements”	the daily road maintenance agreements dated December 27, 2019 entered into between the Company, the relevant subsidiaries on the one hand, and Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang, on the other hand, pursuant to which Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang agreed to provide daily maintenance services in respect of certain expressways operated by the Group as provided in the announcement of the Company dated December 27, 2019; the daily maintenance agreement dated December 30, 2019 entered into between LongLiLiLong Co and Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to provide daily maintenance services to the LongLiLiLong Expressways; and the dedicated road maintenance agreements dated April 30, 2021 entered into between the Company and its relevant subsidiaries and Jiaogong Maintenance and Zhejiang Shunchang, pursuant to which Jiaogong Maintenance and Zhejiang Shunchang agreed to provide dedicated maintenance services in respect of certain expressways operated by the Group as provided in the announcement of the Company dated April 30, 2021

“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 (浙江高速信息工程技術有限公司), a company incorporated in the PRC and a 65.85% owned subsidiary of Communications Group
“%”	per cent

* *For identification purposes only*

On behalf of the Board of Directors
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, May 31, 2021

As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive Director of the Company is Mr. CHEN Ninghui; the other non-executive Directors of the Company are: Mr. DAI Benmeng, Mr. YUAN Yingjie and Mr. FAN Ye; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.