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

DISCLOSEABLE TRANSACTION
THE PRELIMINARY AGREEMENT AND
THE SHAREHOLDERS' JOINT INVESTMENT AGREEMENT

THE PRELIMINARY AGREEMENT AND THE SHAREHOLDERS' JOINT INVESTMENT AGREEMENT

On March 28, 2025, the Company and Ningbo Zhoushan Port entered into the Preliminary Agreement in respect of the investment and implementation of the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway, with Zhoushan City Bridge Construction Management Center*, Ningbo City High-grade Highway Construction Management Center*, Zhoushan Communications Investment and Ningbo Communications Development.

Pursuant to the Preliminary Agreement, the estimated investment amount of the Project is approximately RMB15,985 million, of which 45% is the Project Capital at the amount of approximately RMB7,193 million. The Company and Ningbo Zhoushan Port shall in aggregate invest 60% of the Project Capital, being approximately RMB4,316 million from their own fund. The Company will invest in 51% of the Project Capital, being approximately RMB3,668 million, from its own fund.

The Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development will establish a new company as the Project Company to provide services for the Project, which will be granted concession rights to invest in, finance for, construct, operate and manage the Project. On the same date, the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development have entered into the Shareholders' Joint Investment Agreement for the arrangement relating to the Project Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transaction under the Preliminary Agreement and the Shareholders' Joint Investment Agreement are more than 5% but less than 25%, the transaction under the Preliminary Agreement and the Shareholders' Joint Investment Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholder's approval requirement under the Listing Rules.

INTRODUCTION

On March 28, 2025, the Company and Ningbo Zhoushan Port entered into the Preliminary Agreement in respect of the investment and implementation of the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway, with Zhoushan City Bridge Construction Management Center*, Ningbo City High-grade Highway Construction Management Center*, Zhoushan Communications Investment and Ningbo Communications Development.

THE PRELIMINARY AGREEMENT

Principal terms of the Preliminary Agreement are summarized as below:

Date: March 28, 2025

Parties:

- (i) Zhoushan City Bridge Construction Management Center* (舟山市大橋建設管理中心) and Ningbo City High-grade Highway Construction Management Center* (寧波市高等級公路建設管理中心) ;
- (ii) Zhoushan Communications Investment and Ningbo Communications Development; and
- (iii) Investors: the Company (as the leading party) and Ningbo Zhoushan Port

Overview of the Project

The Project involves the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway of approximately 18.052 kilometers, starting point connecting to Qijiashan Hub in Ningbo and ending point connecting to Jintang to Dasha Section Project of the Ningbo-Zhoushan Expressway Parallel Line, with 5.498 kilometers in Ningbo Section and 12.554 kilometers in Zhoushan Section. Designed as a two-way six-lane expressway, it will feature the Jintang Undersea Tunnel at the length of 11.604 km, 5 bridges, 2 interconnecting interchanges at Dapukou interchange and Jintang Hub, 1 parking area (interconnecting to the Dapukou interchange) and other safety installations, service amenities, and traffic management infrastructure.

Concession model

In accordance with the project feasibility report of the Project, the estimated total investment amount of the Project is approximately RMB15,985 million. The total investment of the Project is subject to the approved preliminary design budget for the Project. The risk associated with any changes in the estimated total investment shall be borne by the Project Company.

The concession period of the Project includes the pre-construction and construction period and the operation period (including the tolling period). With respect to the Project, the construction period is tentatively 5 years and the tolling period is tentatively 25 years, subject to the final approval from the People's Government of Zhejiang Province. From the commencement of operations (i.e., the opening date of the G92 Hangzhou Bay Roundabout Expressway Ningbo Qijiashan to Zhoushan Jintang Section), the Project shall implement coordinated toll collection and operational management with the Jiaochuan to Jintang Section of the Yongzhou Expressway.

Upon expiry of the concession period, the Project Company shall transfer Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway, its auxiliary facilities and relevant materials to competent transportation authority without compensation.

Project Company

Pursuant to the Preliminary Agreement, the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development will establish new company as the Project Company for the implementation of the Project. The Project Company shall be responsible for planning, fund raising, construction and implementation, operation and management, debt repayment, management of assets and transfer of the Project and shall enjoy the right of vehicle toll collection, service facilities and advertising operation during the tolling period.

Concession Right Agreement

The Project Company will be granted concession rights to invest in, finance for, construct, operate and manage the Project. Zhoushan City Bridge Construction Management Center* (舟山市大橋建設管理中心) and Ningbo City High-grade Highway Construction Management Center* (寧波市高等級公路建設管理中心) will enter into a concession agreement with the Project Company in due course.

THE SHAREHOLDERS' JOINT INVESTMENT AGREEMENT

On the same date, the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development have entered into the Shareholders' Joint Investment Agreement for the arrangement relating to the Project Company.

Project Capital and Registered Capital of the Project Company

The Project Capital constitutes 45% of the total investment at the amount of approximately RMB7,193 million, out of which RMB500 million will be attributable to the registered capital of the Project Company and the remaining RMB6,693 million will be attributable to the capital reserve. The Project Capital shall be contributed by the parties in the following portion:

Name of Shareholder	Capital Contribution (RMB)	Amount attributable to registered capital of the Project Company (RMB)	Amount attributable to capital reserve of the Project Company (RMB)	% of the total equity interests in the Project Company
The Company	3,668,430,000	255,000,000	3,413,430,000	51%
Ningbo Zhoushan Port	647,370,000	45,000,000	602,370,000	9%
Zhoushan Communications Investment	1,726,320,000	120,000,000	1,606,320,000	24%
Ningbo Communications Development	1,150,880,000	80,000,000	1,070,880,000	16%
Total	7,193,000,000	500,000,000	6,693,000,000	100%

The Company and Ningbo Zhoushan Port shall in aggregate invest 60% of the Project Capital, being approximately RMB4,316 million from their own fund. The Company will invest in 51% of the Project Capital, being approximately RMB3,668 million, from its own fund, which shall be paid within 5 years from the establishment date of the Project Company by installations. The financial results of the Project Company will be consolidated into the financial statements of the Company.

Profit distribution, loss bearing and liquidation distribution

Dividends of the Project Company during the construction period and the operation period, and the remaining assets of the Project Company upon termination, dissolution, and liquidation will be distributed to the Company and Ningbo Zhoushan Port in the proportions of 85% and 15%. Zhoushan Communications Investment and Ningbo Communications Development do not participate in dividends of the Project Company; do not take responsibility for financing, debt bearing of the Project Company, operation loss compensation; and do not participate in remaining asset distribution of the Project Company after liquidation, except in cases of government temporary takeover or contract termination.

Board composition

The board of directors of the Project Company has 7 members, with the Company nominating 4 and Ningbo Zhoushan Port, Zhoushan Communications Investment, and Ningbo Communications Development each nominating 1. The board will elect a chairman from candidates nominated by the Company.

Fund Raising

In addition to the Project Capital constituting 45% of the total estimated investment, funded 40% by government contributions (RMB2,877 million) and 60% by investor contributions (RMB4,316 million), the Project Company shall secure the remaining construction funds through bank project loans and proactively procure central fiscal funds and provincial subsidies designated for key transportation projects. The Project Company will finalize the optimal financing scheme and enter into financing agreements directly with institutions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PRELIMINARY AGREEMENT AND THE SHAREHOLDERS' JOINT INVESTMENT AGREEMENT

The Project is an important part of the G92 Hangzhou Bay Roundabout Expressway, which connects Ningbo City and Zhoushan City. The Project will enhance the traffic capacity and service level of the cross-sea passage between Ningbo City and Zhoushan City, relieve the traffic pressure and operation management pressure on the cross-sea bridge, and promote the regional economic and social development.

The Company is principally engaged in the operation and management of high-grade roads. The Project is well located in an economically developed and rapidly developing region with high traffic flow. The Project will provide a reliable source for the further growth of the traffic volume of the cross-sea passage between Ningbo City and Zhoushan City, and bring a higher toll revenue to the Company.

At the same time, the Project, as the longest undersea tunnel expressway in Zhejiang province, will help the Company create a benchmark project in the industry, enhance the Company's strategic position in the high-grade road network, and improve the Company's reputation and influence.

No Director has material interests in the Preliminary Agreement and the Shareholders' Joint Investment Agreement, or is required to abstain from voting on the relevant resolution of the Board.

The Directors are of the view that (i) participation in the Project is in the ordinary and usual course of business of the Group, (ii) the relevant terms of the Preliminary Agreement and the Shareholders' Joint Investment Agreement are determined among the parties after arm's length negotiations, on normal commercial terms or better, and fair and reasonable and in line with the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE PRELIMINARY AGREEMENT AND SHAREHOLDERS' JOINT INVESTMENT AGREEMENT

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 Hong Kong Stock Exchange (Stock Code: 0576). The Company 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..

Zhoushan City Bridge Construction Management Center* (舟山市大橋建設管理中心) is a public institution under the administration of the Bureau of Transportation of Zhoushan City, and principally undertakes the research, feasibility assessments and planning for new bridge projects; prepares and approves project documentation; implements construction plans; manages technical standards and research initiatives and guides regional bridge projects. It also coordinates safety, maintenance, and regulatory compliance for existing bridges, including the Zhoushan Bay Bridge.

Ningbo City High-grade Highway Construction Management Center* (寧波市高等級公路建設管理中心) is a public institution under the administration of the Bureau of Transportation of Ningbo City, and principally undertakes the planning and construction management of high-grade highways, the formulation of investment plans for highway infrastructure projects, the supervision of highway construction quality and safety, the coordination of preliminary work for major highway projects, and the maintenance and technical upgrades of existing highway networks, among others.

Zhoushan Communications Investment is a state-controlled company established in the PRC. It principally engages in investment, operation, and management of

transportation infrastructure, investment and development of tourism projects, cooperative investment, entrusted investment, and investment management and etc. It is authorized by the Zhoushan Municipal Government to act as the representative of the investment in the Project.

Ningbo Communications Development is a state-owned sole proprietorship company established in the PRC, mainly engaged in investment in expressways and other transportation infrastructure projects. It is authorized by the Ningbo Municipal Government to act as the representative of the investment in the Project.

Ningbo Zhoushan Port is a state-controlled company established in the PRC. It mainly engages in port operations, ship piloting services, various engineering construction activities, construction engineering design, water transport engineering supervision.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, Zhoushan City Bridge Construction Management Center, Ningbo City High-grade Highway Construction Management Center, Zhoushan Communications Investment, Ningbo Communications Development, Ningbo Zhoushan Port and their ultimate beneficial owner(s) are third parties independent of the Company and are not connected persons of the Company.

LISTING RULES IMPLICATIONS

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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
“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
“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 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
“Investment Agreement”	the Preliminary Agreement dated March 28, 2025 in respect of the investment and implementation of the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway entered into among the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Ningbo Communications Development”	Ningbo Communications Development Co., Ltd.*(寧波交通發展有限公司), a state-owned sole proprietorship company established in the PRC and authorized by the Ningbo Municipal Government to act as the representative of the investor for the purpose of the Project
“Ningbo Zhoushan Port”	Ningbo Zhoushan Port Group Co., Ltd.*(寧波舟山港集團有限公司), a state-controlled company established in the PRC
“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
“Project”	the construction project of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway
“Project Capital”	being 45% of the total investment of the Project at the amount of approximately RMB7,193 million

“Project Company”	the project company proposed to be established as the service provider for the Project
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shareholders’ Joint Investment Agreement”	the Shareholders’ joint investment agreement dated March 28, 2025 entered into among the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development for the arrangement relating to the Project Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Zhoushan Communications Investment”	Zhoushan Communications Investment Group Co., Ltd.*(舟山交通投資集團有限公司), a state-controlled company established in the PRC and authorized by the Zhoushan Municipal Government to act as the representative of the investor for the purpose of the Project
“%”	per cent

* *For identification purposes only*

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

Hangzhou, the PRC, March 28, 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. 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. YU Mingyuan.