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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)

ANNOUNCEMENT

CONNECTED TRANSACTIONS

**THE DAILY ROAD MAINTENANCE AGREEMENTS,
THE SHENJIAHUHANG DAILY ROAD MAINTENANCE AGREEMENTS,
THE DEDICATED ROAD MAINTENANCE AGREEMENTS AND
THE ROAD NAMING AND NUMBERING ADJUSTMENT AGREEMENTS**

THE DAILY ROAD MAINTENANCE AGREEMENTS

Reference is made to the announcement of the Company dated April 8, 2016 in relation to the Previous Daily Road Maintenance Agreements entered into between the Company and certain of its subsidiaries and Maintenance Co, pursuant to which Maintenance Co agreed to provide the Maintenance Services to the Group's four expressways, namely, the Shanghai-Hangzhou-Ningbo Expressway, the Shangsans Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.

Since the Previous Daily Road Maintenance Agreements have expired on December 31, 2018, the Company and the relevant subsidiaries of the Company (including Shangsans Co, Jiaying Co, Jinhua Co and Hanghui Co) and Maintenance Co entered into the Daily Road Maintenance Agreements on May 14, 2019, for renewal of the terms of the Previous Daily Road Maintenance Agreements for a term of one year with effect from January 1, 2019 and ending on December 31, 2019. Each of the Daily Road Maintenance Agreements has a term of one year from January 1, 2019 to December 31, 2019.

THE SHENJIAHUHANG DAILY ROAD MAINTENANCE AGREEMENTS

Reference is made to the announcement of the Company dated December 13, 2018 and the circular of the Company dated January 15, 2019, in relation to (among other things) the Acquisition. Reference is made to the announcement of the Company dated March 4, 2019 in relation to (among other things) the approval of the Acquisition by the Shareholders. As a result of the Acquisition, Shenjiahuhang Co became a wholly-owned subsidiary of the Company.

On January 1, 2016 and March 4, 2016, Shenjiahuhang Co and Zhoushan Co entered into the Previous Shenjiahuhang Daily Road Maintenance Agreements with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to provide the Maintenance Services to two expressways, namely, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge.

Since the Previous Shenjiahuhang Daily Road Maintenance Agreements have expired on December 31, 2018, Shenjiahuhang Co and Zhoushan Co and Jiaogong Maintenance entered into the Shenjiahuhang Daily Road Maintenance Agreements on May 14, 2019, for renewal of the terms of the Previous Shenjiahuhang Daily Road Maintenance Agreements for a term of one year with effect from January 1, 2019 and ending on December 31, 2019. Each of the Shenjiahuhang Daily Road Maintenance Agreements has a term of one year from January 1, 2019 to December 31, 2019. These transactions became connected transactions as a result of the Acquisition.

THE DEDICATED ROAD MAINTENANCE AGREEMENTS

On February 23, 2019, the Company organized a public tender in respect of the provision of the Dedicated Maintenance Services to the Group's seven expressways for a term of 8 months from April 1, 2019 to November 30, 2019. Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang succeeded in the tender and were awarded the contracts to provide the Dedicated Maintenance Services.

On May 14, 2019, the Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsang Co, Jinhua Co, Hanghui Co, Huihang Co, Shenjiahuhang Co and Zhoushan Co) entered into the Dedicated Road Maintenance Agreements with Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang, pursuant to which Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang agreed to provide the Dedicated Maintenance Services to the Group's seven expressways, namely, the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, the Hanghui Expressway, the Huihang Expressway, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge. Each of the Dedicated Road Maintenance Agreements has a term of 8 months from April 1, 2019 to November 30, 2019.

THE ROAD NAMING AND NUMBERING ADJUSTMENT AGREEMENTS

On February 18, 2019, the Company organised a public tender in respect of the provision of the Naming and Numbering Adjustment Services to the Group's six expressways for a term of two months from the date of signing of the agreement. Maintenance Co and Jiaogong Maintenance succeeded in the tender and were awarded the contracts to provide the Naming and Numbering Adjustment Services.

On May 14, 2019, the Company and the relevant subsidiaries of the Company (including Jiaying Co, Shangsang Co, Hanghui Co, Shenjiahuhang Co and Zhoushan Co) entered into the Road Naming and Numbering Adjustment Agreements with Maintenance Co and Jiaogong Maintenance, pursuant to which Maintenance Co and Jiaogong Maintenance agreed to provide the Naming and Numbering Adjustment Services to the Group's six expressways, namely, the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, the Hanghui Expressway, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge. Each of the Road Naming and Numbering Adjustment Agreements has a term of two months from the date of signing of the agreement.

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 Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance is a subsidiary of Communications Group. Therefore, each of Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance is a connected person of the Company and as a result, the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements, the Road Naming and Numbering Adjustment Agreements, the Previous Daily Road Maintenance Agreements and the Previous Dedicated Road Maintenance Agreement were entered into with parties who are connected with one another and within a 12-month period, the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements, the Road Naming and Numbering Adjustment Agreements and the Previous Agreements are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions.

As the applicable percentage ratios in respect of the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements, after aggregating the Previous Daily Road Maintenance Agreements and the Previous Dedicated Road Maintenance Agreement, are more than 0.1% but less than 5%, the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment 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.

THE DAILY ROAD MAINTENANCE AGREEMENTS

Reference is made to the announcement of the Company dated April 8, 2016 in relation to the Previous Daily Road Maintenance Agreements entered into between the Company and certain of its subsidiaries and Maintenance Co, pursuant to which Maintenance Co agreed to provide the Maintenance Services to the Group's four expressways, namely, the Shanghai-Hangzhou-Ningbo Expressway, the Shangsans Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.

Since the Previous Daily Road Maintenance Agreements have expired on December 31, 2018, the Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsans Co, Jinhua Co and Hanghui Co) and Maintenance Co entered into the Daily Road Maintenance Agreements on May 14, 2019, for renewal of the terms of the Previous Daily Road Maintenance Agreements for a term of 1 year with effect from January 1, 2019 and ending on December 31, 2019. Each of the Daily Road Maintenance Agreements has a term of one year from January 1, 2019 to December 31, 2019.

Principal terms of the Daily Road Maintenance Agreements are set out below:

- Date:** May 14, 2019
- Parties:** (1) The Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsang Co, Jinhua Co and Hanghui Co); and
(2) Maintenance Co.
- Term:** From January 1, 2019 to December 31, 2019.
- Subject matter:** Maintenance Co agreed to provide the Maintenance Services, namely day-to-day maintenance services including road patrol, inspection of the maintenance status of pavements, roadbeds, greening and sloping, in respect of the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.
- Service fees:** The service fees payable by the Group to Maintenance Co shall be RMB66,823,926.
- Basis of the service fees:** Despite the increased cost of material and labour, the service fee rates remain unchanged as the Previous Daily Road Maintenance Agreements, which was arrived at after a public tender process. In addition, the service fees were determined after arm's length negotiations between the parties and taking into account: (i) the historical maintenance cost incurred for the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway from 2016 to 2018; (ii) comparable prices available in the market; and (iii) the expected maintenance work required for the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway in 2019.
- Terms of payment:** Payment will be made by the Company based on the actual Maintenance Services provided by Maintenance Co on a monthly basis.
- Governing law:** PRC law.

THE SHENJIAHUHANG DAILY ROAD MAINTENANCE AGREEMENTS

Reference is made to the announcement of the Company dated December 13, 2018 and circular of the Company dated January 15, 2019, in relation to (among other things) the Acquisition. Reference is made to the announcement of the Company dated March 4, 2019 in relation to (among other things) the approval of the Acquisition by the Shareholders. As a result of the Acquisition, Shenjiahuhang Co became a wholly-owned subsidiary of the Company.

On January 1, 2016 and March 4, 2016, Shenjiahuhang Co and Zhoushan Co separately entered into the Previous Shenjiahuhang Daily Road Maintenance Agreements with Jiaogong Maintenance, pursuant to which Jiaogong Maintenance agreed to provide the Maintenance Services to two expressways, namely, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge.

Since the Previous Shenjiahuhang Daily Road Maintenance Agreements have expired on December 31, 2018, Shenjiahuhang Co and Zhoushan Co and Jiaogong Maintenance entered into the Shenjiahuhang Daily Road Maintenance Agreements on May 14, 2019, for renewal of the terms of the Previous Shenjiahuhang Daily Road Maintenance Agreements for a term of one year with effect from January 1, 2019 and ending on December 31, 2019. Each of the Shenjiahuhang Daily Road Maintenance Agreements has a term of one year from January 1, 2019 to December 31, 2019. These transactions became connected transactions as a result of the Acquisition.

Principal terms of the Shenjiahuhang Daily Road Maintenance Agreements are set out below:

- Date:** May 14, 2019
- Parties:**
 - (1) Shenjiahuhang Co and Zhoushan Co; and
 - (2) Jiaogong Maintenance.
- Term:** From January 1, 2019 to December 31, 2019.
- Subject matter:** Jiaogong Maintenance agreed to provide the Maintenance Services, namely daily maintenance services including road patrol, inspection of the maintenance status of pavements, roadbeds, greening and sloping, in respect of two expressways, namely: the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge.
- Service fees:** The service fees payable by the Group to Maintenance Co shall be RMB19,991,811.

Basis of the service fees: Despite the increased cost of material and labour, the service fee rates remain unchanged as the Previous Shenjiahuhang Daily Road Maintenance Agreements, which was arrived at after a public tender process. In addition, the service fees were determined after arm's length negotiations between the parties and taking into account: (i) the historical maintenance cost incurred for Huzhou Section and Lianhang Section of the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge from 2016 to 2018; (ii) comparable prices available in the market; and (iii) the expected maintenance work required for Huzhou Section and Lianhang Section of the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge in 2019.

Terms of payment: Payment will be made by the Company based on the actual Maintenance Services provided by Jiaogong Maintenance on a monthly basis.

Governing law: PRC law.

THE DEDICATED ROAD MAINTENANCE AGREEMENTS

On February 23, 2019, the Company organised a public tender in respect of the provision of the Dedicated Maintenance Services to the Group's six expressways for a term of 8 months from April 1, 2019 to November 30, 2019. Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang succeeded in the tender and were awarded the contracts to provide the Dedicated Maintenance Services.

On May 14, 2019, the Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsang Co, Jinhua Co, Hanghui Co, Huihang Co, Shenjiahuhang Co and Zhoushan Co) entered into the Dedicated Road Maintenance Agreements with Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang, pursuant to which Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang agreed to provide the Dedicated Maintenance Services to the Group's seven expressways, namely: the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, the Hanghui Expressway, the Huihang Expressway, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge. Each of the Dedicated Road Maintenance Agreements has a term of 8 months from April 1, 2019 to November 30, 2019.

Principal terms of the Dedicated Road Maintenance Agreements are set out below:

- Date:** May 14, 2019
- Parties:**
- (1) The Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsans Co, Jinhua Co, Hanghui Co, Huihang Co, Shenjiahuhang Co and Zhoushan Co); and
 - (2) Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang, respectively.
- Completion:** From April 1, 2019 to November 30, 2019.
- Subject matter:**
- Maintenance Co agreed to provide the Dedicated Maintenance Services to the Shanghai-Hangzhou-Ningbo Expressway, Xintian Section of the Shangsans Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.
- Jiaogong Maintenance agreed to provide the Dedicated Maintenance Services to the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge.
- Zhejiang Shunchang agreed to provide the Dedicated Maintenance Services to the Shangsheng Section of the Shangsans Expressway and the Huihang Expressway, together with asphalt pavement on-site thermal regeneration work on Shanghai-Hangzhou-Ningbo Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.
- Service fees:** The service fees payable by the Group are as follows:
- (i) RMB237,917,525 to Maintenance Co;
 - (ii) RMB72,819,756 to Jiaogong Maintenance; and
 - (iii) RMB108,329,011 to Zhejiang Shunchang.
- Basis of the service fees:** The service fees were determined as a result of a public tender, where Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang have succeeded in their bid pursuant to the terms of the public tender.

On February 23, 2019, a tender notice was published on the Company's website and <http://bulletin.cebpublish.com>, and four entities expressed their interest for each of the three divisions of work (three of them are independent entities). The tender evaluation committee took into account the following when making their decision (including, but not limited to):

- (i) prices;
- (ii) proposed work plans, technical capability and dedicated appliances of each of the tenderers;
- (iii) safety controls standard and ability to handle emergency situations of each of the tenderers;
- (iv) the quality of the previous projects undertaken of each of the tenderers and its ability to complete tasks on a timely manner;
- (v) relevant experience of each of the tenderers in carrying out similar projects; and
- (vi) each tenderer's past performance records and achievements.

According to the assessment made by the tender evaluation committee, Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang have successfully received the highest score in the respective three divisions of the Dedicated Maintenance Services as referred above, and therefore successfully won the tender.

Price adjustment mechanism:

If the price of either asphalt or minerals fluctuates by more than 3% as indicated in the "Quality Control and Cost" (《質監與造價》) issued by the Zhejiang Province Transportation Construction Project Management Centre* (浙江省交通建设工程管理中心), the service fees will be adjusted accordingly.

Terms of payment:

The payment will be made in two separate installments as follows:

- (i) 97% of the service fees to be payable upon completion of the Dedicated Maintenance Services; and
- (ii) 3% of the service fees to be payable within 15 days after the completion acceptance and the finalisation of the completion and settlement report.

Governing law:

PRC law.

THE ROAD NAMING AND NUMBERING ADJUSTMENT AGREEMENTS

On February 18, 2019, the Company organized a public tender in respect of the provision of the Naming and Numbering Adjustment Services to the Group's six expressways for a term of two months from the date of signing of agreement. Maintenance Co and Jiaogong Maintenance succeeded in the tender and were awarded the contracts to provide the Naming and Numbering Adjustment Services.

On May 14, 2019, the Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsansan Co, Hanghui Co, Shenjiahuhang Co and Zhoushan Co) entered into the Road Naming and Numbering Adjustment Agreements with Maintenance Co and Jiaogong Maintenance, pursuant to which Maintenance Co and Jiaogong Maintenance agreed to provide the Naming and Numbering Adjustment Services to the Group's six expressways, namely, the Shanghai-Hangzhou-Ningbo Expressway, the Shangsansan Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, the Hanghui Expressway, the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge. Each of the Road Naming and Numbering Adjustment Agreements has a term of two months from the date of signing of the agreement.

Principal terms of the Road Naming and Numbering Adjustment Agreements are set out below:

- Date:** May 14, 2019
- Parties:**
- (1) The Company and the relevant subsidiaries of the Company (including Jiaxing Co, Shangsansan Co, Jinhua Co, Hanghui Co, Shenjiahuhang Co and Zhoushan Co); and
 - (2) Maintenance Co and Jiaogong Maintenance, respectively.
- Term:** Two months from the date of signing of the agreement.
- Subject matter:** Maintenance Co agreed to provide the Naming and Numbering Adjustment Services to the Shanghai-Hangzhou-Ningbo Expressway, the Shangsansan Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway.
- Jiaogong Maintenance agreed to provide the Naming and Numbering Adjustment Services to the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge.

Service fees:	<p>The service fees payable by the Group are as follows:</p> <ul style="list-style-type: none"> (i) RMB28,242,918 to Maintenance Co, and (ii) RMB8,703,431 to Jiaogong Maintenance.
Basis of the service fees:	<p>The service fees were determined as a result of a public tender, where Maintenance Co and Jiaogong Maintenance have succeeded in their bid pursuant to the terms of the public tender.</p> <p>On February 18, 2018, a tender notice was published on the Company's website and http://bulletin.cebpservice.com, and five entities expressed their interest for each of the two divisions of work (three of them are independent entities). The tender evaluation committee took into account the following when making their decision (including, but not limited to):</p> <ul style="list-style-type: none"> (i) prices; (ii) construction designs and technical capability of each of the tenderers: (iii) the quality of the previous projects undertaken of each of the tenderers and its ability to complete tasks on a timely manner; (iv) relevant experience of each of the tenderers in carrying out similar projects; and (v) each tenderer's reputation.
Terms of payment:	<p>Payment will be made by the Company based on the actual progress of Naming and Numbering Adjustment Services provided by Maintenance Co and Jiaogong Maintenance.</p>
Governing law:	<p>PRC law.</p>

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As subsidiaries of Communications Group, Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance fully understand the Group's business and operating needs, and maintains effective communication to provide more quality services to the Group. Each of Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance has the relevant qualifications and expertise to provide the Maintenance Services, the Dedicated Maintenance Services and Naming and Numbering Adjustment Services to the Group.

In addition, the Company went through a tender process and obtained the relevant quotations from independent third parties to select the service provider of the Dedicated Maintenance Services and Naming and Numbering Adjustment Services. Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance finally won the respective tender. The Company also went through a tender process to select the service provider of the Maintenance Services under the Previous Daily Road Maintenance Agreements and the Previous Shenjiahuhang Daily Road Maintenance Agreements. Based on the same service fees, the Group entered into the Daily Road Maintenance Agreements and Shenjiahuhang Daily Road Maintenance Agreements with Maintenance Co and Jiaogong Maintenance to renew the terms of the Previous Daily Road Maintenance Agreements and the Previous Shenjiahuhang Daily Road Maintenance Agreements, respectively, for one more year.

The transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements are and will be conducted in the ordinary and usual course of business of the Group, and the consideration paid by the Group to Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance 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.

Given the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment 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

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 Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance is a subsidiary of Communications Group. Therefore, each of Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance is a connected person of the Company and as a result, the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements, the Road Naming and Numbering Adjustment Agreements, the Previous Daily Road Maintenance Agreements and the Previous Dedicated Road Maintenance Agreement were entered into with parties who are connected with one another and within a 12-month period, the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements, the Road Naming and Numbering Adjustment Agreements and the Previous Agreements are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions.

As the applicable percentage ratios in respect of the respective transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements, after aggregating the Previous Daily Road Maintenance Agreements and the Previous Dedicated Road Maintenance Agreement, are more than 0.1% but less than 5%, the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment 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.

None of the Directors have a material interest in the transactions contemplated under the Daily Road Maintenance Agreements, the Shenjiahuhang Daily Road Maintenance Agreements, the Dedicated Road Maintenance Agreements and the Road Naming and Numbering Adjustment Agreements, and none are required to abstain from voting on the relevant Board resolutions.

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 Zhejiang Zheshang Securities Co., Ltd.

Maintenance Co is a subsidiary of Communication Group which is incorporated under the laws of the PRC on January 28, 2014. Maintenance Co is principally engaged in construction of transportation projects and maintenance of toll road.

Zhejiang Shunchang is a subsidiary of Communication Group which is incorporated under the laws of the PRC on November 11, 2003. Zhejiang Shunchang is principally engaged in construction of transportation projects and maintenance of toll road.

Jiaogong Maintenance is a subsidiary of Communication Group which is incorporated under the laws of the PRC on January 18, 2006. Jiaogong Maintenance is principally engaged in construction of transportation projects and maintenance of toll road.

DEFINITIONS

In this announcement unless the context specific otherwise, the following defined expressions have the following meanings:

“Acquisition”	the acquisition of 100% equity interest in Shenjiahuhang Co by the Company
“Asphalt Pavement On-site Thermal Regeneration Engineering Agreement”	the asphalt pavement on-site thermal regeneration engineering agreement entered into between the Company and Zhejiang Shunchang on August 7, 2018, pursuant to which Zhejiang Shunchang agreed to provide engineering services to the Shanghai-Hangzhou-Ningbo Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Huihang Expressway
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Communications Group”	浙江省交通投資集團有限公司 (Zhejiang Communications Investment Group Co., Ltd.*), a wholly state owned enterprise established in the PRC, 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 incorporated in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Daily Road Maintenance Agreements”	a number of daily road maintenance agreements entered into between the Company, the relevant subsidiaries of the Company and Maintenance Co on May 14, 2019, which renew the Previous Daily Road Maintenance Agreements for a term of 1 year
“Dedicated Maintenance Services”	dedicated maintenance services, including (i) road work such as pavement diseases treatment, bridge deck overlay, pavement overlay; (ii) roadbed work such as slope treatment; (iii) bridge work such as bridge fault maintenance and reinforcement and deck system maintenance; (iv) road safety work such as signs, road markings and fence maintenance and (v) specific maintenance services such as tunnelling and greening
“Dedicated Road Maintenance Agreements”	a number of dedicated road maintenance agreements entered into between the Company, the relevant subsidiaries of the Company and Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang on May 14, 2019, pursuant to which Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang agreed to provide Dedicated Maintenance Services to the Group’s six expressways
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hanghui Co”	Zhejiang Hanghui Expressway Co., Ltd* (浙江杭徽高速公路有限公司), a 88.674% owned subsidiary of the Company

“Huihang Co”	Huangshan Yangtse Huihang Expressway Co., Ltd* (黃山長江徽杭高速公路有限責任公司), a wholly-owned subsidiary of the Company
“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), a subsidiary of Communications Group
“Jiaxing Co”	Zhejiang Jiaxing Expressway Co., Ltd* (浙江嘉興高速公路有限責任公司), a 99.9995% owned subsidiary of the Company
“Jinhua Co”	Zhejiang Jinhua Yongjin Expressway Co., Ltd* (浙江金華甬金高速公路有限公司), a wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Maintenance Co”	浙江滬杭甬養護工程有限公司* (Zhejiang Expressway Maintenance Co., Ltd.), a company incorporated in the PRC and an indirect wholly-owned subsidiary of Communications Group
“Maintenance Services”	day-to-day maintenance services including road patrol, inspection of the maintenance status of pavements, roadbeds, greening and sloping
“Naming and Numbering Adjustment Services”	naming and numbering adjustment services including replacing signage and adding road signs, guardrails, crash pads and markings
“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/ Macau Special Administrative Region of the PRC and Taiwan
“Previous Agreements”	include the Previous Dedicated Road Maintenance Agreement and Previous Daily Road Maintenance Agreements

“Previous Dedicated Road Maintenance Agreement”	the dedicated road maintenance agreement entered into between the Company and Maintenance Co on May 28, 2018, pursuant to which Maintenance Co agreed to provide Dedicated Maintenance Services in respect of Shanghai-Hangzhou-Ningbo Expressway, the Shangsans Expressway, Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway and the Asphalt Pavement On-site Thermal Regeneration Engineering Agreement
“Previous Daily Road Maintenance Agreements”	a number of road maintenance agreements entered into between the Company (or the relevant subsidiaries of the Company) and Maintenance Co on April 8, 2016 pursuant to which Maintenance Co agreed to provide the Maintenance Services to the Jinhua Section, Ningbo-Jinhua Expressway, the Hanghui Expressway, Shanghai-Hangzhou-Ningbo Expressway and the Shangsans Expressway
“Previous Shenjiahuhang Daily Road Maintenance Agreements”	a number of road maintenance agreements entered into between Shenjiahuhang Co, Zhoushan Co and Jiaogong Maintenance separately on January 1, 2016 and March 4, 2016, pursuant to which Jiaogong Maintenance agreed to provide the Maintenance Services to the Shenjiahuhang Expressway and the Zhejiang Zhoushan Bay Bridge
“RMB”	Renminbi, the lawful currency of the PRC
“Road Naming and Numbering Adjustment Agreements”	a number of road naming and numbering adjustment agreements entered into between the Company and the relevant subsidiaries of the Company entered into the Road Naming and Numbering Adjustment Agreements with Maintenance Co and Jiaogong Maintenance, pursuant to which Maintenance Co and Jiaogong Maintenance agreed to provide the Naming and Numbering Adjustment Services to the Group’s six expressways
“Shangsans Co”	Zhejiang Shangsans Expressway Co., Ltd* (浙江上三高速公路有限公司), a 73.625% owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Shenjiahuhang Co”	浙江申嘉湖杭高速公路有限公司 (Zhejiang Shenjiahuhang Expressway Co., Ltd.*), a limited company established in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Shenjiahuhang Daily Road Maintenance Agreements”	a number of daily road maintenance agreements entered into between Shenjiahuhang Co, Zhoushan Co and Jiaogong Maintenance on May 14, 2019, which renew the Previous Shenjiahuhang Daily Road Maintenance Agreements for a term of 1 year
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Zhejiang Shunchang”	浙江順暢高等級公路養護有限公司 (Zhejiang Shunchang High-grade Expressway Maintenance Co., Ltd*), a non wholly-owned subsidiary of Communications Group
“Zhoushan Co”	浙江舟山跨海大橋有限公司 (Zhejiang Zhoushan Bay Bridge Co., Ltd.*), a limited liability company established in the PRC on November 12, 2004, owned as to 51% by Shenjiahuhang Co as at the date of this announcement and 49% by other independent third parties
“%”	per cent.

* For identification purpose only.

By order of the board of Directors
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, May 14, 2019

As at the date of this announcement, the chairman of the Company is Mr. YU Zhihong; the executive Directors of the Company are: Mr. CHENG Tao and Ms. LUO Jianhu; the other non-executive Directors of the Company are: Mr. DAI Benmeng, Mr. YU Qunli and Mr. YU Ji; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.