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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

IN RELATION TO THE CIVIL ENGINEERING AGREEMENTS

THE CIVIL ENGINEERING AGREEMENTS

On September 25, 2025, the Project Company, a non wholly-owned subsidiary of the Company, entered into respectively (i) the TJ1 Civil Engineering Agreement with, among others, Jiaogong Group regarding the civil engineering work of the construction of Section TJ1 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway; and (ii) the TJ4 Civil Engineering Agreement with Jiaogong Luqiao regarding the civil engineering work of the construction of Section TJ4 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. As at the date of this announcement, each of Jiaogong Group and Jiaogong Luqiao is an indirect non wholly-owned subsidiary of Communications Group, and is therefore a connected person of the Company. As a result, the transactions contemplated under the Civil Engineering Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest annual cap for the transactions under the Civil Engineering Agreements exceed 0.1% but less than 5%, the entering into of the Civil Engineering Agreements is subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration.

THE CIVIL ENGINEERING AGREEMENTS

On September 25, 2025, the Project Company, a non wholly-owned subsidiary of the Company, entered into respectively (i) the TJ1 Civil Engineering Agreement with, among others, Jiaogong Group regarding the civil engineering work of the construction of Section TJ1 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway; and (ii) the TJ4 Civil Engineering Agreement with Jiaogong Luqiao regarding the civil engineering work of the construction of Section TJ4 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway.

(i) the TJ1 Civil Engineering Agreement

The principal terms in relation to the transaction with Jiaogong Group contemplated under the TJ1 Civil Engineering Agreement are summarised below:

Date: September 25, 2025

Parties:

- (1) the Project Company as the principal;
- (2) Jiaogong Group and China Railway 14th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司), as the contractors.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Jiaogong Group is a connected person, the details of which are set out in the section headed “INFORMATION OF THE PARTIES” below, China Railway 14th Bureau Group Co., Ltd. and its ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company and its connected persons.

Scope of Services:	Jiaogong Group will be responsible for the implementation, completion and defect rectification during defect liability period of engineering tasks of subgrade works, open-cut U-shaped trough for both Left Line and Right Line and the shielded undersea tunnel for Right Line (including tunnel segments, box culverts etc.) within the scope of Left Line ZK9+120 to ZK13+772 and Right Line YK9+120 to YK13+770.
Term:	1,672 calendar days (55 months) of planned construction period commencing as instructed by the supervisor with defect liability period of 24 months.
Consideration:	The service fee payable to connected person, Jiaogong Group, during the term under the TJ1 Civil Engineering Agreement is approximately RMB1,900,810,631.
Basis of consideration:	<p>The total contract sum was determined as a result of public tender. Other than the joint bid submitted by Jiaogong Group and China Railway 14th Bureau Group Co., Ltd., there were two other independent service providers (including consortium) who made a bid.</p> <p>The tender evaluation took into account the following factors: (i) commercial aspect: bidder's experience in similar construction project, qualifications and capabilities of the key personnel proposed for the project and bidder's corporate reputation and credibility; (ii) technical aspect: overall layout and construction organization planning, analysis of difficulties and key points of the project and corresponding countermeasures, key technical solutions and countermeasures for construction, quality, schedule, and safety assurance systems and measures, technical innovation plans, as well as construction risk prediction and prevention measures; and (iii) bid price.</p>

Terms of payment: The advance payment shall be 15% of the contracted sum. During the interim payment stage, each installment shall cover 95% of the progress payment certified by the principal. Within 28 days after completion the final project settlement, payment of up to 98.5% of the audited settlement price shall be made. The remaining balance shall be paid upon issuance of the certificate for the end of the defect liability period.

(ii) the TJ4 Civil Engineering Agreement

The principal terms in relation to the transaction with Jiaogong Luqiao contemplated under the TJ4 Civil Engineering Agreement are summarised below:

Date: September 25, 2025

Parties: (1) the Project Company as the principal;
(2) Jiaogong Luqiao as the contractor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Jiaogong Luqiao is a connected person, the details of which are set out in the section headed “INFORMATION OF THE PARTIES” below.

Scope of Services: Jiaogong Luqiao will be responsible for the implementation, completion and defect rectification during defect liability period of engineering tasks of subgrade, bridges (with bridge structures adopting prestressed concrete T-beams and steel-concrete composite beams), the mountain tunnel section on the exit side, interchange works (including overpassing the operating Yongzhou Expressway and underpassing the Dapu Tunnel), road reconstruction works, reserved and embedded works within the scope of Left Line ZK19+950 to ZK27+181.929 and Right Line YK19+920 to YK27+168.806, and pavement works along the entire route.

Term: 1,491 calendar days (49 months) of planned construction period commencing as instructed by the supervisor with defect liability period of 24 months.

Consideration: The total contract sum payable to Jiaogong Luqiao shall be RMB1,425,555,580.

Basis of consideration: The total contract sum was determined as a result of public tender. Other than the bid submitted by Jiaogong Luqiao, there were nine other independent service providers and two other participants involving connected persons who made a bid.

The tender evaluation took into account the following factors: (i) commercial aspect: bidder's experience in similar construction project, qualifications and capabilities of the key personnel proposed for the project and bidder's corporate reputation and credibility; (ii) technical aspect: overall layout and construction organization planning, analysis of difficulties and key points of the project and corresponding countermeasures, key technical solutions and countermeasures for construction, quality, schedule, and safety assurance systems and measures, technical innovation plans, as well as construction risk prediction and prevention measures; and (iii) bid price.

Terms of payment: The advance payment shall be 10% of the contracted sum. During the interim payment stage, each installment shall cover 95% of the progress payment certified by the principal. Within 28 days after completion the final project settlement, payment of up to 98.5% of the audited settlement price shall be made. The remaining balance shall be paid upon issuance of the certificate for the end of the defect liability period.

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set annual caps on the amount of the service fee payable by the Group to Jiaogong Group and Jiaogong Luqiao under the Civil Engineering Agreements.

The proposed annual caps on (i) the service fee payable to Jiaogong Group under the TJ1 Civil Engineering Agreement in relation to Section TJ1, (ii) the service fee payable to Jiaogong Luqiao under the TJ4 Civil Engineering Agreement in relation to Section TJ4, and (iii) the service fee payable to Jiaogong Group and Jiaogong Luqiao on aggregated basis under the Civil Engineering Agreements, for each of the financial years ending December 31, 2030 are set out below:

For the year ending December 31	Section TJ1 Annual caps (RMB'000)	Section TJ4 Annual caps (RMB'000)	Aggregated Annual caps (RMB'000)
2025	296,000	92,000	388,000
2026	466,000	357,000	823,000
2027	520,000	380,000	900,000
2028	520,000	380,000	900,000
2029	390,000	240,000	630,000
2030	300,000	510,000	810,000

The proposed annual caps on the service fee of each of the Civil Engineering Agreements are determined based on the following factors, including but not limited to expected progress of the construction works, estimated engineering quantity and payment arrangements during the construction period, defect liability period and final payment upon project completion settlement and a reasonable buffer amount.

If the actual total amount of the service fee paid by the Group to Jiaogong Group and Jiaogong Luqiao respectively for the relevant year under the relevant Civil Engineering Agreements exceeds the abovementioned annual caps, the Company will re-comply with all applicable requirements under the Listing Rules.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the analysis mentioned below, the Independent Financial Adviser is of the view and confirms that (i) a term of longer than three years is required for each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement; and (ii) it is a normal business practice for this type of civil engineering agreement to be of such duration.

Reasons for terms exceeding three years

(i) Scale of the Project

The Project involves the construction of the Ningbo Qijiashan to Zhoushan Jintang section of the G92 Hangzhou Bay Roundabout Expressway, with a total length of approximately 18 kilometers. The Ningbo section is approximately 5.5 kilometers, and the Zhoushan section is approximately 12.5 kilometers. It will be constructed according to the standard for a two-way six-lane expressway, with a design speed of 100 kilometer/hour, while the Jintang undersea tunnel section with a design speed of 80 kilometer/hour. The mainline will include 5 bridges totaling 5,175 meters, one Jintang undersea tunnel, two interchanges (Jintang hub and Dapukou interchange), one toll gate, one parking area (interconnecting to the Dapukou interchange), one monitoring and communications sub-center, one tunnel monitoring and communications station, two tunnel rescue stations, one maintenance zone, along with necessary auxiliary traffic management buildings and facilities.

Considering the overall scale and complexity of the Project, the construction phase is estimated to take approximately four to five years. In particular, the stipulated planned construction period for the TJ1 Civil Engineering Agreement is 1,672 calendar days (55 months), and for the TJ4 Civil Engineering Agreement is 1,491 calendar days (49 months). The Independent Financial Advisor noted from the concession operator tender announcement released by the Zhoushan Bridge Construction Management Center (舟山市大橋建設管理中心) and the Ningbo High-Grade Highway Construction Management Center (寧波市高等級公路建設管理中心) on January 27, 2025, indicates a tentative construction period of 5 years for the Project. The agreement durations mentioned above fall within the construction timeframe proposed by the relevant government authorities.

(ii) Scope of services under the Civil Engineering Agreements

The TJ1 Civil Engineering Agreement (entered into among the Project Company, China Railway 14th Bureau Group Co., Ltd. and Jiaogong Group) and the TJ4 Civil Engineering Agreement (entered into between the Project Company and Jiaogong Luqiao) are each structured to cover the entirety of the construction activities necessary for their respective contract sections, in particular, (i) section TJ1 covers subgrade works, open-cut U-shaped trough for both Left Line and Right Line and the shielded undersea tunnel for Right Line (including tunnel segments, box culverts etc.) within the scope of Left Line ZK9+120 to ZK13+772 and Right Line YK9+120 to YK13+770, and (ii) section TJ4 covers subgrade, bridges (with bridge structures adopting prestressed concrete T-beams and steel-concrete composite beams), the mountain tunnel section on the exit side, interchange works (including overpassing the operating Yongzhou Expressway and underpassing the Dapu Tunnel), road reconstruction works, reserved and embedded works within the scope of Left Line ZK19+950 to ZK27+181.929 and Right Line YK19+920 to YK27+168.806, and pavement works along the entire route.

Given the breadth of the obligations assumed by the contractors, the Independent Financial Adviser is satisfied that the term of each agreement must be long enough to ensure that all construction works can be fully and continuously performed within the contractual period. Entering into shorter-term agreements would expose the Project Company to unnecessary renewal risk, duplicative tender costs and potential discontinuity of services, which would not be commercially prudent.

Taking into account (i) the scale and complexity of the Project; and (ii) the fact that the respective durations of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement cover the entire construction phase, the Independent Financial Adviser is of the opinion that a term of longer than three years is necessary and appropriate for each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement.

Whether a term exceeding three years is a normal business practice

Having considered the following principal factors and reasons, the Independent Financial Adviser considers that the terms of over three years of the continuing connected transactions under each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement is necessary and it is a normal business practice for agreements of such type to be of such duration.

The Independent Financial Adviser, to the best of its knowledge and effort, identified 11 companies listed on the Main Board of Stock Exchange which are principally engaged in operating expressways in the PRC. The Independent Financial Adviser has reviewed respective announcements during the period of approximately two years prior to the date of the Civil Engineering Agreements and identified 18 comparable transactions involving engineering works related to construction of expressways in the PRC (the “**Comparable Transactions**”). The contract terms of the Comparable Transactions ranged from 7 months to 61 months, typically covering the entire duration of the construction phase of the projects. The Independent Financial Adviser also noted that 11 out of the 18 Comparable Transactions had a contract term of over three years. The term of each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement, which is catered to cover the duration of the entire construction phase of Section TJ1 and Section TJ4 of the Project respectively, is therefore comparable with that of the Comparable Transactions.

The Independent Financial Adviser is of the view that the contract term for each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement both exceeding three years, is necessary and commercially reasonable given the large scale and complexity of the Project. In forming this view, the Independent Financial Adviser has taken into account: (i) the contract terms of comparable transactions as identified from the Comparable Transactions, where 11 out of 18 Comparable Transactions had a contract term exceeding three years; (ii) the project's significant scale, technical complexity, and the need for sufficient time to ensure proper completion of all required works; and (iii) the normal business practice in the industry for similar large-scale expressway engineering/construction agreements to have longer durations. Accordingly, the Independent Financial Adviser considers that it is a normal commercial practice for TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement to be of such duration.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CIVIL ENGINEERING AGREEMENTS

The transactions contemplated under the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement reflect the practical needs for the construction of the Project. By implementing the Project, together with the existing Yongzhou Expressway, a “dual-channel” strategic corridor will be formed connecting Zhoushan Island to the mainland which promotes integrated land-sea development, providing a reliable guarantee for the further growth of cross-sea traffic between Ningbo and Zhoushan. This is of great significance for Zhejiang Province in accelerating the construction of a world-class strong port, advancing the high-quality development of the marine economy, and building a demonstration zone for common prosperity. With its prime location and high traffic volume, the Project is expected to generate increased toll revenue for the Group, further strengthening sustainable development of core expressway businesses of the Group.

As subsidiaries of Communications Group, Jiaogong Group and Jiaogong Luqiao fully understand the Group's business and operating needs, and maintain effective communication to provide more quality services to the Group. Each of Jiaogong Group and Jiaogong Luqiao has the relevant qualifications and experience to provide the construction services for Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway.

In addition, the Group went through a tender process and obtained the relevant quotations from other independent service providers to select the service provider for the Project, during which Jiaogong Group and Jiaogong Luqiao won the respective tenders. The transactions contemplated under the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement are and will be conducted in the ordinary and usual course of business of the Group, and the consideration under each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement will not be higher than the average market price and will not be less favorable than those provided by other parties in the market for similar services. Given the above, the Directors (including the independent non-executive Directors) are of the view that the terms of each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement 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.

INFORMATION ON THE PARTIES

The Project Company is a non wholly-owned subsidiary of the Company established in the PRC. The Project Company is principally responsible for the construction, implementation and operation management of the Project.

Jiaogong Group is a joint stock liability company established in the PRC and an indirect non wholly-owned subsidiary of Communications Group as at the date of this announcement. Jiaogong Group is principally engaged in the construction, survey and design for construction engineering, and expressway management and maintenance.

Jiaogong Luqiao is a limited liability company established in the PRC. Jiaogong Luqiao is an indirect non wholly-owned subsidiary of Communications Group as at the date of this announcement. Jiaogong Luqiao is principally engaged in the business of the construction and technical services of transportation engineering, hydraulic engineering, construction engineering, municipal engineering, port and navigation engineering, geotechnical engineering, landscaping and greening engineering, and geological disaster prevention and control engineering.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Communications Group is the controlling shareholder of the Company. As at the date of this announcement, each of Jiaogong Group and Jiaogong Luqiao is an indirect non wholly-owned subsidiary of Communications Group, and is therefore a connected person of the Company. As a result, the transactions contemplated under the Civil Engineering Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest annual cap for the transactions under the Civil Engineering Agreements exceed 0.1% but less than 5%, the entering into of the Civil Engineering Agreements is subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of each of the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "OPINIONS FROM THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

Among the existing Directors, Mr. Yuan Yingjie, Mr. Fan Ye and Mr. Huang Jianzhang are deemed to have material interests in the Civil Engineering Agreements as they are currently also employed by Communications Group and have abstained from voting on the relevant Board resolution. Other than the Directors mentioned above, none of the existing Directors have material interests in the transactions contemplated under the Civil Engineering Agreements, and none are required to abstain from voting on the relevant resolution of the Board.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"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 state-controlled 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 H Shares are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

“Civil Engineering Agreements”	collectively, the TJ1 Civil Engineering Agreement and the TJ4 Civil Engineering Agreement
“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 primarily listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser of the Company for the purpose of Rule 14A.52 of the Listing Rules in relation to the Civil Engineering Agreements
“Jiaogong Group”	Zhejiang Communications Construction Group Co., Ltd.* (浙江交工集團股份有限公司), a joint stock liability company established in the PRC and an indirect non wholly-owned subsidiary of Communications Group as at the date of this announcement
“Jiaogong Luqiao”	Zhejiang Jiaogong Road & Bridge Construction Co., Ltd.* (浙江交工路橋建設有限公司), a limited liability company established in the PRC and an indirect non wholly-owned subsidiary of Communications Group as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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
“Project”	a project of the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway
“Project Company”	Zhejiang Yongzhou Parallel Line Phase II Expressway Co., Ltd.* (浙江甬舟複綫二期高速公路有限公司), a non wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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
“TJ1 Civil Engineering Agreement”	the civil engineering agreement for the civil engineering work of the construction of Section TJ1 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway dated September 25, 2025 entered into among the Project Company, Jiaogong Group and China Railway 14th Bureau Group Co., Ltd.
“TJ4 Civil Engineering Agreement”	the civil engineering agreement for the civil engineering work of the construction of Section TJ4 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway dated September 25, 2025 entered into between the Project Company and Jiaogong Luqiao

“%”

per cent

* *For identifications only.*

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

Hangzhou, the PRC, September 25, 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.