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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)

VOLUNTARY ANNOUNCEMENT HOTEL ENTRUSTED MANAGEMENT AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) is pleased to announce that, on March 30, 2023, the Company together with Zhejiang Grand Hotel Co., Ltd.* (浙江大酒店有限公司) (“**Zhejiang Grand Hotel**”) entered into a hotel entrusted management agreement (“**Hotel Entrusted Management Agreement**”) with Zhejiang Communication Investment Holding Group Co., Ltd.* (浙江省交投控股集團有限公司) (“**Communication Holding**”), pursuant to which the Company and Zhejiang Grand Hotel entrusted Communication Holding to take over the operation and management of a hotel located at No.595 Yan’an Road, Gongshu District, Hangzhou City, the PRC held by Zhejiang Grand Hotel (“**Hotel**”) for a term commencing from April 1, 2023 and ending on December 31, 2025.

Upon parties’ arm’s length negotiation and full discussion, the Hotel Entrusted Management Agreement set out the performance commitment for Communication Holding to manage and operate Zhejiang Grand Hotel. The transaction amount under the Hotel Entrusted Management Agreement is subject to the attainment of performance commitment by Communication Holding. Communication Holding will receive from the Company/Zhejiang Grand Hotel the relevant amount if it satisfies the performance commitment. On the contrary, if Communication Holding fails to satisfy the performance commitment, it shall undertake the compensation obligations to the Company/Zhejiang Grand Hotel.

REASONS AND BENEFITS OF THE HOTEL ENTRUSTED MANAGEMENT AGREEMENT

Communication Holding is principally engaged in real estate development, management and operation of commercial complexes and hotels. Communication Holding has extensive experience and strength in real estate development, management and operation of commercial complexes and hotels and various operation management with the support of professional management staff. It is currently managing a number of commercial complex and hotels (including Landison Plaza Hotel Hangzhou and GDA Plaza). Considering that the Hotel requires remodeling and upgrades to keep up with the development of the surrounding area, the Directors believe that entrusting the Hotel to Communication Holding can promote the business synergy in the area, among the Hotel, Landison Plaza Hotel Hangzhou and GDA Plaza, amid the market volatility and uncertainty, as well as enhance cost efficiency of the Hotel and help raise the profile of the Hotel in the region.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Communications Investment Group Co., Ltd.* (浙江省交通投資集團有限公司) (“**Communications Group**”) holds approximately 67% of the issued share capital of the Company and is a controlling shareholder of the Company. Communication Holding, being a wholly-owned subsidiary of Communications Group, is a connected person of the Company. As a result, the transaction contemplated under the Hotel Entrusted Management Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

In accordance with Rule 14A.53 of the Listing Rules, the Company has set an annual cap on the amount to be received/paid by the Company/Zhejiang Grand Hotel for the transaction contemplated under the Hotel Entrusted Management Agreement, determined based on the prevailing market rate for the hotel entrusted management service and forecasted revenue of Zhejiang Grand Hotel.

As the highest applicable percentage ratio in respect of the annual cap for the transaction contemplated under the Hotel Entrusted Management Agreement is less than 0.1%, the transaction contemplated under the Hotel Entrusted Management Agreement constitutes a de minimis transaction and will be exempted from the annual reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

If the actual total amount receivable/payable by the Company/Zhejiang Grand Hotel under the Hotel Entrusted Management Agreement, shall exceed the above proposed annual cap, the Company will re-comply with all applicable requirements under the Listing Rules as appropriate.

* *For identification purposes only*

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

Hangzhou, the PRC, March 31, 2023

As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive Directors of the Company are: Mr. CHEN Ninghui and Mr. YUAN Yingjie; 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. CHEN Bin.