



浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

To: Business Editors

[FOR IMMEDIATE RELEASE]

**Zhejiang Expressway Invests RMB1.15 Billion
to Develop Jiaxing-Shaoxing Expressway**

(Hong Kong, November 29, 2004) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced that the Company entered into an agreement with two other local companies to set up a joint-venture company (“JV Co.”) for the purpose of developing and operating of Jiaxing-Shaoxing Expressway (the “Project”).

The JV Co. is formed by the Company (35%), Jiaxing Jiashao Expressway Investment and Development Limited Liability Company (“Jiaxing Jiashao”) (35%) and Shaoxing Communication and Investment Limited (“Shaoxing Communication”) (30%). Total equity capital contribution to the JV Co. is RMB3,272.5 million, which shall be contributed by the Company, Jiaxing Jiashao and Shaoxing Communication in accordance with their respective equity holdings. The Company will, in aggregate, make a total equity capital contribution of RMB1.15 billion to the JV Co.

The main business of the JV Co. will be the development, operation and maintenance of the Jiaxing-Shaoxing Expressway which is not only an important integral part of the trunk highway planning of Zhejiang Province, but also an important integral part of the national road network planning. Jiaxing-Shaoxing Expressway starts from the junction of Shanghai-Hangzhou Expressway and Zhapu-Jiaxing-Suzhou Expressway in the southwestern side of Jiaxing, Zhejiang Province and ends at the junction of Hangzhou-Ningbo Expressway and Shangsang Expressway in the western side of Shangyu, Shaoxing. With a total length of 69.23 km, including a 12.32 km bridge section crossing over Hangzhou Bay, Jiaxing-Shaoxing Expressway is currently being designed as an 8-lane expressway with a designed traffic speed of 100 km / hour. The expressway is expected to be open for operation by the end of 2008.

Mr. Geng Xiaoping, Chairman of the Company said, “Jiaxing-Shaoxing Expressway is geographically located in a strategic position. It links with Shanghai-Hangzhou and Hangzhou-Ningbo Expressway and is connected to Shangsang Expressway, and accordingly is closely related to the existing highway network of the Company. Jiaxing-Shaoxing Expressway serves as a shortcut linking up the north-south traffic of Hangzhou Bay with an extensive radiation area and therefore, is likely to attract a substantial volume of traffic flow. Rapid growth in traffic volume has created much pressure on the existing roads. Several national roads are operating under a saturated condition, while traffic volume on expressways is also very substantial. The Project is well positioned to capture the business potential as presented by such traffic growth in the region.”

“We are confident that the financial return of the Project will meet the investment criteria of the Company, and could be further enhanced by expanding the ancillary services related to the expressway.” Mr. Geng concluded.

Total investment for the Project is currently estimated to amount to approximately RMB9,350 million. The three shareholders will contribute a total capital of RMB3,272.5 million to the Project, with the remaining balance to be financed by the JV Co. itself through bank borrowings.

Established in 1997, Zhejiang Expressway Co., Ltd. is regarded by the Zhejiang Provincial Government as its main enterprise for investing in, constructing and operating expressways and Class 1 roads in Zhejiang Province. The Company has concession rights to operate the Shanghai-Hangzhou-Ningbo Expressway and the Shansan Expressway for a period of 30 years.

~ End ~

Information regarding Jiaxing Jiashao and Shaoxing Communication

Jiaxing Jiashao is a PRC state-owned limited liability company with a registered capital of RMB50 million. Jiaxing Jiashao is a local government investment vehicle set up primarily for investing in the JV Co.

Shaoxing Communication is a PRC state-owned company with a registered capital of RMB500 million. Shaoxing Communication is engaged in the businesses of transportation infrastructure facilities, ancillary facilities and related property investment, development, asset management and the letting out of ancillary facilities.

For further information, please contact:

Mr. Tony Zheng / Ms. Helen Wu

Zhejiang Expressway Co., Ltd.

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

Ms. Christy Lai / Ms. Edith Lui

Rikes Communications Limited

Tel: (852) 2520 2201

Fax: (852) 2520 2241