

To: Business Editors  
 [FOR IMMEDIATE RELEASE]

### **Toll Rates for Trucks Lowered in Zhejiang Province**

As part of the recent integral policies by the relevant PRC authorities to tackle the practice of overloading trucks, pursuant to a directive issued jointly by the Ministry of Communications and the National Development and Reform Commission on November 11, 2004, the Zhejiang Provincial Government made a decision on December 24, 2004 to correspondingly lower the toll rates for certain classes of trucks in Zhejiang Province. The new toll rates will be effective January 1, 2005.

In accordance with the decision, the toll rates for Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway, both operated by Zhejiang Expressway Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group"), are to be adjusted as follows:

Before adjustment:

Classification	Vehicle type	Entrance fee	Distance-based fee
Class 4	10~20(inclusive) tons	Rmb20	Rmb1.6/km
Class 5	20~50(inclusive) tons	Rmb25	Rmb2.0/km

After adjustment:

Classification	Vehicle type	Entrance fee	Distance-based fee
Class 4	10~15(inclusive) tons	Rmb15	Rmb1.4/km
Class 5	15~50(inclusive) tons	Rmb20	Rmb1.6/km

Classification for trucks between 15 to 20(inclusive) tons is to be changed from Class 4 to Class 5, though their toll fees remain the same as before. The toll rates for other classes of vehicles will remain unchanged.

Currently (as of November 2004), the percentages of trucks above 10 tons that are affected amongst the total numbers of vehicles on Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway, respectively, are estimated to be as follows:

Vehicle type	Shanghai-Hangzhou-Ningbo Expressway	Shangsang Expressway
10~15(inclusive) tons	5.59%	4.25%
20~50(inclusive) tons	1.25%	1.36%
Total	6.84%	5.61%

Based on the above toll rate adjustments as well as the estimated percentages of vehicles affected, and assuming all other variables will remain unchanged, the Company estimates that toll income for the two expressways will be lowered by approximately 1.5%~2.5%.

The Company believes that the reduction in toll rates for trucks above 10 tons will lead to reduced incidences of overloaded trucks, thereby improving traveling conditions on the expressways, reducing future maintenance costs, as well as encouraging the use of multi-axle heavy trucks. The positive impact from the above far outweighs the negative impact brought to the Group by the small reduction in toll income in the short run.

Zhejiang Expressway Co., Ltd.  
December 28, 2004

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#### Company Profile

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 Shangsang Expressway for a period of 30 years. The H Shares of the Company were listed on the Hong Kong Stock Exchange in May 1997 (HKEx code: 576), and subsequently obtained a secondary listing on the London Stock Exchange in May 2000 (LSE code: ZHEH). In February, 2002, a Level I American Depositary Receipt program sponsored by the Company in respect of its H Shares was established in the United States and became effective (ADR code: ZHEXY).

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