



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]

Dividend Proposal Passed at the 2004 Annual General Meeting

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Business Tax Rate on Toll Income to be Lowered from 5% to 3%

(Hong Kong, May 23, 2005) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) announced that the 2004 annual general meeting (“AGM”) was held today, and approved, among others, the resolution to pay a final dividend of HK\$0.14138 per share. Furthermore, the Company was notified that pursuant to a directive issued jointly by the Ministry of Finance and the State Administration of Taxation of the PRC, the business tax rate on its toll income will be lowered to 3% from 5%.

The proposed distribution of profits by way of final dividend by the Company for the year ended December 31, 2004 of the amount of RMB0.15 per share was approved by shareholders and their authorized proxies of the Company present at the AGM. Shareholders of the Company whose names appeared in the register of members of the Company on April 28, 2005 are entitled to the said final dividend.

Pursuant to the Company’s Articles of Association, dividends payable to holders of H Shares of the Company shall be paid in Hong Kong dollars according to the average closing price of Hong Kong dollars to Renminbi declared by the People’s Bank of China in the five trading days immediately preceding the date of the declaration of dividends. The applicable exchange rate for the purpose of the payment of the final dividend is therefore HK\$1.00 to RMB1.0610. The final dividend of HK\$0.14138 per share is expected to be paid to shareholders of the H Shares of the Company on or before June 21, 2005.

Furthermore, the Company received a directive issued jointly by the Ministry of Finance and the State Administration of Taxation of the PRC dated May 17, 2005. Pursuant to the directive approved by the State Council, the business tax rate on toll income for all toll road operators including the Company will be lowered from 5% to 3%, effective June 1, 2005. The Company believes that the reduction in business tax will reduce the Group’s taxation burden and thus further enhance the future prospect of the Group.

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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 Shangsang Expressway for a period of 30 years.

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