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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)*

The directors ("Directors") of Zhejiang Expressway Co., Ltd. ("Company") announce that on 17th May, 1999 the Company formally submitted to the Zhejiang Provincial Government and the relevant authorities a report requesting for the adjustment of the toll rate of the Shanghai-Hangzhou-Ningbo Expressway ("Toll Adjustment Application"). The Zhejiang Provincial Government and the relevant authorities have started to process the application of the Company and requested the Company to provide further information. The Directors expect that the Company will obtain the approvals of the Zhejiang Provincial Government and the relevant authorities for the Toll Adjustment Application before 30th June, 1999.

On 24th March, 1997, the Company and the Zhejiang Provincial Government entered into a concession agreement relating to the Shanghai-Hangzhou-Ningbo Expressway. Pursuant to that agreement, the Company may submit its first Toll Adjustment Application to the Zhejiang Provincial Government in April, 1999. In addition, the Zhejiang Provincial Government is required to give its official reply to that Toll Adjustment Application by 1st June, 1999. After obtaining the approval, the new toll rate will take effect on or before 1st July, 1999. The 1998 annual report of the Company has similarly disclosed the Toll Adjustment Application for 1999. On 17th May, 1999, the Company formally made a Toll Adjustment Application to the Zhejiang Provincial Government and the relevant authorities. The Zhejiang Provincial Government and the relevant authorities have started to process the application of the Company and requested the Company to provide further information and thus require more time to vet the Toll Adjustment Application.

The Directors expect that the Company will obtain the approvals of the Zhejiang Provincial Government and the relevant authorities for the Toll Adjustment Application before 30th June, 1999. The Company will make an announcement as and when the approvals are obtained.

By Order of the Board  
**Zhejiang Expressway Co., Ltd.**  
**Zhang Jingzhong**

*Director/Secretary to the Board of Directors*

Hangzhou, 31st May, 1999