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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)*

**ANNOUNCEMENT**

The Board of Directors of Zhejiang Expressway Co., Ltd. is pleased to announce that on 6th April, 2000 Zhejiang Expressway Co., Ltd. entered into a Capital Transfer Agreement with an independent third party, Zhejiang Semiconductor Technology Co., Ltd. to acquire from Zhejiang Semiconductor Technology Co., Ltd. a 16.67 per cent. ownership interest in the capital of JoinHands Technology Co., Ltd. for a cash consideration of RMB5.5 million (equivalent to approximately HK\$5.19 million). On the same date, Zhejiang Expressway Co., Ltd. entered into a Capital Subscription Agreement with JoinHands Technology Co., Ltd., whereby Zhejiang Expressway Co., Ltd. has agreed to subscribe for approximately 20 per cent. in the enlarged capital of JoinHands Technology Co., Ltd. for a cash consideration of RMB13 million (equivalent to approximately HK\$12.3 million). The cash consideration for the Capital Transfer Agreement and the Capital Subscription Agreement was agreed upon after arm's-length negotiations as the Board of Directors of Zhejiang Expressway Co., Ltd. believe that Joinhands Technology Co., Ltd. has promising growth prospects. Following the subscription, Zhejiang Expressway Co., Ltd. will have a 30 per cent. interest in the enlarged capital of Joinhands Technology Co., Ltd. The other shareholders of Joinhands Technology Co., Ltd. include third parties independent of Zhejiang Expressway Co., Ltd.

**JoinHands Technology**

JoinHands Technology Co. Ltd. ("JoinHands Technology") is a limited liability company established on 3rd August, 1999 in the Zhejiang Province of the People's Republic of China with a registered capital of RMB30 million, of which RMB26.4 million was contributed by Zhejiang Semiconductor Co., Ltd. ("Zhejiang Semiconductor") and the balance contributed by another independent third party. JoinHands Technology is principally engaged in research, development, sales and technical services of computer software and hardware, as well as the construction and development of industrial control systems, computer integrated systems, computer on-line service systems and building intelligent systems.

The major business activity of JoinHands Technology involves the construction and expansion of "National Commodity Anti-Counterfeit Monitoring Servicing System" (the "Anti-Counterfeit System"). Based on inspection using digital technology, this Anti-Counterfeit System consists of a one code per label anti-counterfeit system, bar code recognition system and computer network. The application of the Anti-Counterfeit System involves adhering anti-counterfeit labels incorporating various technologies onto products. Thus, products with such a label can be checked upon purchase through a computer network and monitored throughout the entire distribution process. The Anti-Counterfeit System was credited by the Zhejiang Provincial Government on 4th January, 2000 as one of the "First Batch of Major High-tech Industrializing Projects". On 24th September, 1999, JoinHands Technology was approved by the National Liquor Anti-Counterfeit Monitoring Network Office as a construction and technology promotion agent for the "National Liquor Anti-Counterfeit Monitoring Network".

JoinHands Technology intends to increase its registered capital from RMB30 million to RMB50 million and Zhejiang Expressway Co., Ltd. (the "Company") will hold 30 per cent. of its enlarged capital, representing an amount of Rmb15 million.

**Reasons for investing in JoinHands Technology**

The Board of Directors (the "Directors") believe that JoinHands Technology has promising growth prospects, and that the investment will result in a close business alliance between the Company and JoinHands Technology. JoinHands Technology will also provide strong technological support for the Company's toll road projects as well as other future infrastructure projects of the Company in line with the long term interests of the Company's shareholders.

Furthermore, the Directors confirm that the total investment of the Company in JoinHands Technology amount to less than 0.22 per cent. of the Company's consolidated net assets for the year ended 31st December, 1999. Therefore, the Company considers any risk that may arise as a result of this investment to be insignificant, and that this investment in JoinHands Technology will not change the nature of the Company as an infrastructure company focusing on toll road business.

Nonetheless, the Directors would like to draw to the attention of the investors the fact that the business of JoinHands Technology is still at a start-up stage, and its current major project, the "National Liquor Anti-Counterfeit Monitoring Network" is in a very initial stage of market promotion. Hence, there is no assurance that JoinHands Technology will be able to make a profit from this project. Should marketing plans be shelved as a result of insufficient interest, the Company's investment in this company may be adversely affected.

By Order of the Board  
**Geng Xiaoping**  
Chairman

Hangzhou, the PRC  
7th April, 2000