



浙江滬杭甬高速公路股份有限公司

ZHEJIANG EXPRESSWAY CO., LTD.

[FOR IMMEDIATE RELEASE]

Zhejiang Expressway Joins Consortium to Acquire Turkey's ICA Project Company *Company's first overseas stake supports China's "Go Global" strategy*

(Hong Kong, December 23, 2019) Zhejiang Expressway Co., Ltd. ("Zhejiang Expressway" or the "Company") (HKEx code: 576; LSE code: ZHEH) today announced that the Company, along with China Merchants Expressway Network & Technology Holdings Co Ltd. ("China Merchants"), China Merchants United Development Co., Ltd ("China Merchants United"), Jiangsu Expressway Company Limited ("Jiangsu Expressway"), Sichuan Expressway Company Limited ("Sichuan Expressway") and Anhui Expressway Company Limited ("Anhui Expressway") entered an agreement and jointly set up a consortium company ("Consortium Company") to acquire:

- 51% equity stake in Turkey's ICA IC İÇTAŞ ASTALDI Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş. ("ICA Project Company"),
- 51% of a related shareholder loan of ICA Project Company, and
- 51% equity stake in Eurasia Motorway Maintenance and Operations Limited ("IC Maintenance"), a company engages in the operations and maintenance of projects operated by ICA Project Company.

Shareholders of the Consortium Company expect to invest up to USD688.5 million.

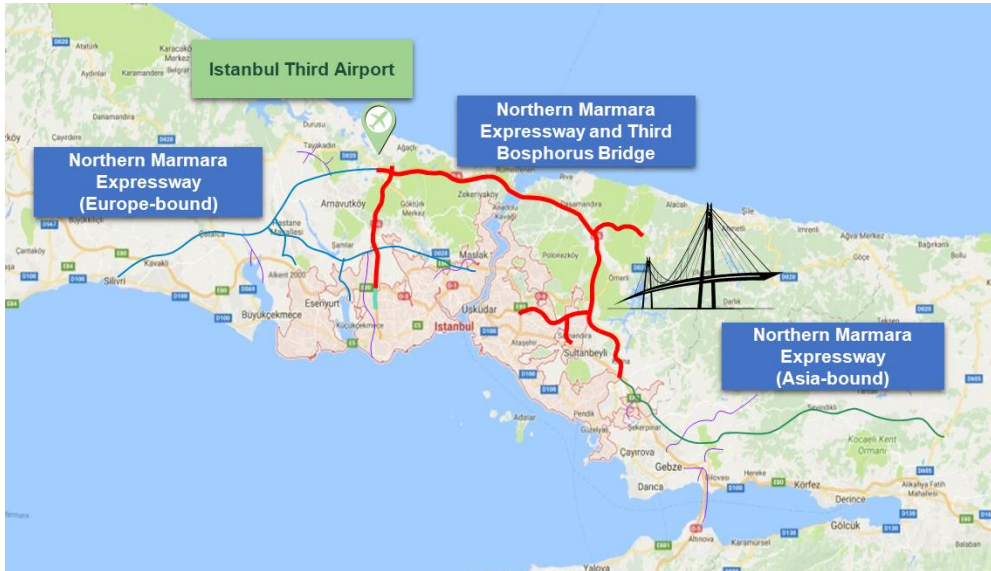
As a part of the acquisition, China Merchants, China Merchants United, Zhejiang Expressway, Jiangsu Expressway, Sichuan Expressway and Anhui Expressway hold 31%, 20%, 17.5%, 17.5%, 7% and 7% equity stakes in the Consortium Company, respectively. Upon completion of the acquisition, the Company will indirectly hold an 8.925% equity stake in ICA Project Company, 8.925% of the related shareholder loan of ICA Project Company and an 8.925% equity stake in IC Maintenance, respectively. The acquisition of ICA Project Company is Zhejiang Expressway's first overseas acquisition, marking an important milestone for the Company in expanding overseas markets and consolidating the highway business.

ICA Project Company is principally engaged in the investment, construction and operation of the Northern Marmara Expressway and the Third Bosphorus Bridge in Turkey. The project connects key cities of the "Belt and Road" network, including Istanbul, Turkey and others adjacent. It is the only thoroughfare for freight vehicle transit over the Bosphorus strait, connecting Asia and Europe. Launched in August 2016, the project has world-class infrastructure facilities. The total length of the Northern Marmara Expressway is 157.1 km,



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

156.1 km of which is tolled, while the remaining kilometer is due to open. At 1,408 meters in length, the Third Bosphorus Bridge is one of the world's longest, tallest and widest suspension bridges.



Prime Location of the Northern Marmara Expressway and the Third Bosphorus Bridge

Turkey is one of China's major partners in the "Belt and Road Initiative". With Turkey's strong infrastructure resources, the economic and trade collaboration between China and Turkey has become more active in recent years. The acquisition of ICA Project Company is a significant step in Zhejiang Expressway's internationalization strategy. The Company believes that all parties will jointly leverage their unique resources and expertise in their respective areas of strengths to complement the national strategy to "go global" and achieve synergies in areas such as capital and operation. In addition, the Company will be able to gain experience in overseas investment through this project. The Company will take advantage of opportunities to exchange technical expertise with overseas companies in order to strengthen its core competitiveness for future development.

Ms. Luo Jianhu, General Manager of the Company, said, "We have always strived to strengthen our core toll road business with an aim to build a renowned brand for expressway operations and services in China. In recent years, we have been prudently exploring suitable overseas projects in order to expand our business and enhance our core competitiveness. We are excited to be a part of this overseas project and hope to use this opportunity to explore the potential to further expand overseas. We will continue to apply our stringent investment criteria to pursue opportunities that will bring long-term steady returns to our shareholders."



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

Regarding the Company's future development strategy, **Ms. Luo** added, "We will continue to deepen the brand development of our core toll road business, enhance service quality, promote and enhance the use of intelligent applications, and actively explore overseas acquisition opportunities. This acquisition marks a major milestone of the Company's internationalization strategy. We will further enhance our domestic business, accelerate the exploration of overseas expansion opportunities, and strive to develop Zhejiang Expressway into an international investment holdings company with a primary focus on the investment and operation of transportation infrastructure."

Currently, Zhejiang Expressway operates seven expressways, namely Shanghai-Hangzhou-Ningbo Expressway, Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, Hanghui Expressway, Shenjiahuhang Expressway and Zhoushan Bay Bridge. All are primary routes of the expressway network connecting Zhejiang province with the rest of China.

~ End ~



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

About Zhejiang Expressway Co., Ltd.

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH) is an infrastructure company principally engaged in investing in, developing and operating high-grade roads. The expressway operating rights of the Company and its subsidiaries were granted by Zhejiang Provincial Government and Anhui Provincial Government for a period ranging from 25 to 30 years. In 2019, the Company has completed the acquisition of the Huzhou and Lianhang sections of Shenjiahuhang Expressway and the Zhoushan Bridge, as well as the Zhejiang Grand Hotel. The Company also carries out securities business. Its subsidiary Zheshang Securities Co., Ltd. is listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).

For further information, please contact:

Zhejiang Expressway Co., Ltd.

Mr. Tony Zheng / Ms. Helen Wu

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

Christensen China Limited

Ms. Eva Yip

Tel: (852) 2232 3966

Mob: (852) 9771 5222

Email: Eyip@christensenir.com