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(A joint stock limited company established in the People's Republic of China with limited liability)
(Stock code: 0576)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the annual report of Zhejiang Expressway Co., Ltd. (the “**Company**”) for the year ended 31 December 2018 (the “**2018 Annual Report**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2018 Annual Report.

Further to the 2018 Annual Report, the Board wishes to further provide the following information regarding the amount of proceeds from the Convertible Bond brought forward and details of the use of such proceeds pursuant to paragraphs 11(8) and 11A of Appendix 16 to the Listing Rules.

As disclosed in the 2018 Annual Report, the Company issued a zero coupon convertible bond due 2022 in an aggregate principal amount of Euro365.00 million on 21 April 2017. After deducting cost of issue of approximately Euro2.1 million, the net proceeds from the issuance of the Convertible Bond (the “**Net Proceeds**”) were approximately Euro362.90 million.

The amount of the Net Proceeds brought forward to the financial year of 2018 was approximately Euro219.85 million (including the unutilized Net Proceeds as at 31 December 2017 of approximately Euro218.79 million and the deposit interest thereon accrued of approximately Euro1.06 million). Detailed breakdown and description of the Net Proceeds utilized during the financial year of 2018 are set out below:

Usage of the Net Proceeds	Actual Net Proceeds as at 1 January 2018	Amount of the Net Proceeds utilized for the year ended 31 December 2018	Deposit interest of the Net Proceeds for the year ended 31 December 2018	Unutilized Net Proceeds as at 31 December 2018
	<i>(Euro)</i> <i>(million)</i>	<i>(Euro)</i> <i>(million)</i>	<i>(Euro)</i> <i>(million)</i>	<i>(Euro)</i> <i>(million)</i>
Daily operating expenses	219.85	(2.42)	4.57	222.00

For the financial year of 2018, the Company received a deposit interest of approximately Euro4.57 million on the Net Proceeds. The remaining unutilized Net Proceeds and the interest thereon accrued amounted to approximately Euro222 million, which is expected to be utilized for repayment of bank loans and daily operating expenses by 2020. Such expected usages of the remaining Net Proceeds are also in line with the use of the Net Proceeds as disclosed previously. Details of the unutilized Net Proceeds are set out below:

Usages of the Net Proceeds	Excepted timeline for utilizing the unutilized Net Proceeds	Percentage of the expected usages <i>(Note)</i>
Repayment of bank loans	From 1 January 2019 to 31 December 2020	50%
Daily operating expenses	From 1 January 2019 to 31 December 2020	50%
Total		100%

Note: The expected timeline for utilizing the unutilized Net Proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

This announcement does not affect any information contained in the 2018 Annual Report, all contents of the 2018 Annual Report remain true and accurate.

On behalf of the Board
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, August 12, 2019

As at the date of this announcement, the chairman of the Company is Mr. YU Zhihong; the executive Directors are: Mr. CHENG Tao and Ms. LUO Jianhu; the non-executive Directors are: Mr. DAI Benmeng, Mr. YU Qunli, and Mr. YU Ji; and the independent non-executive Directors are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa, and Mr. CHEN Bin.