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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)
(Stock code: 0576)

PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS UNDER GENERAL MANDATE

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

The Company announces that, on October 31, 2019, the Board approved a proposal to submit to the Shareholders at a General Meeting to be convened in due course for consideration and approval of a proposed offer and issue of H Share Convertible Bonds. Such proposed H Share Convertible Bonds would have an aggregate principal amount of up to EUR400 million or its equivalent. The funds raised by any issue of the H Share Convertible Bonds are intended to be used for repaying existing borrowings, satisfying the operation needs, adjusting the debt structure, replenishing general working capital for the Group and project investments.

The Conversion Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on May 31, 2019 to allot and issue additional H Shares.

A circular containing, among others, details of the proposed issue of H Share Convertible Bonds and a notice to Shareholders convening the General Meeting will be dispatched to Shareholders as soon as practicable.

THE PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS IS SUBJECT TO, AMONG OTHERS, THE APPROVAL OF THE SHAREHOLDERS AT THE GENERAL MEETING, THE ENTERING INTO OF DEFINITIVE LEGAL DOCUMENTATION TO CONSTITUTE THE H SHARE CONVERTIBLE BONDS AND MARKET CONDITIONS AND THEREFORE MAY OR MAY NOT MATERIALISE. SHAREHOLDERS AND INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS UNDER GENERAL MANDATE

1. Background

The Company announces that on October 31, 2019, the Board approved a proposal to submit to the Shareholders at a General Meeting to be convened in due course for consideration and approval of a proposed offer and issue of H Share Convertible Bonds. Such proposed H Share Convertible Bonds would have an aggregate principal amount of up to EUR400 million or its equivalent. The funds raised by any issue of the H Share Convertible Bonds are intended to be used for repaying existing borrowings, satisfying the operation needs, adjusting the debt structure, replenishing general working capital for the Group and project investments.

The Conversion Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on May 31, 2019 to allot and issue additional H Shares.

In compliance with the Articles of Association, the proposed issue of H Share Convertible Bonds requires approval of the Shareholders by special resolution. Accordingly, the Company proposes to convene a General Meeting for the consideration and approval of the proposal.

The proposed issue of H Share Convertible Bonds also requires the obtaining of approvals and/or consents from the relevant PRC regulatory authorities including the CSRC. The timing of any actual offer and issue of H Share Convertible Bonds will depend on, among other things, investor demand and market conditions.

2. Granting of authority to the Board to deal with matters relating to the proposed issue of H Share Convertible Bonds

It is proposed to be submitted to the Shareholders for consideration and approval the granting of authority to the Board to deal with all matters relating to the proposed issue and listing of H Share Convertible Bonds in the absolute discretion of the Board in accordance with the applicable laws and regulations and the Articles of Association. Details of the authority proposed to be granted to the Board will be included in a circular containing, among others, details of the proposed issue of H Share Convertible Bonds and a notice to Shareholders convening the relevant General Meeting.

3. Reasons and benefits for the proposed issue of H Share Convertible Bonds

The Board believes that the proposed issue of H Share Convertible Bonds will provide the Company with a further source of funding. The Board considers that the proposed issue of H Share Convertible Bonds will improve the debt structure, increase liquidity to meet financial and operational needs and enhance the investment capability of the Group.

GENERAL MEETING

The General Meeting will be convened to approve the special resolution regarding the proposed issue of H Share Convertible Bonds.

A circular containing, among others, details of the proposed issue of H Share Convertible Bonds and a notice to Shareholders convening the General Meeting will be despatched to Shareholders as soon as practicable.

THE PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS IS SUBJECT TO, AMONG OTHERS, THE APPROVAL OF THE SHAREHOLDERS AT THE GENERAL MEETING, THE ENTERING INTO OF DEFINITIVE LEGAL DOCUMENTATION TO CONSTITUTE THE H SHARE CONVERTIBLE BONDS AND MARKET CONDITIONS AND THEREFORE MAY OR MAY NOT MATERIALISE. SHAREHOLDERS AND INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Articles of Association”	the articles of association of the Company
“Board”	the Board of Directors of the Company
“Company”	Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), a joint stock limited company established in the PRC on March 1, 1997, whose shares are listed on the main board of the Stock Exchange (stock code: 0576)
“Conversion Shares”	H Shares which fall to be allotted and issued upon exercise of the conversion rights attached to the H Share Convertible Bonds
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會) of the PRC
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on May 31, 2019 to allot, issue and/or deal with additional H Shares representing up to the limit of 20% of H Shares in issue on the date of the passing of the relevant resolution

“General Meeting”	the general meeting of the Shareholders of the Company to be convened for the purposes of, among other things, approval of the special resolution regarding the proposed issue of H Share Convertible Bonds
“H Shares”	the overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are primarily listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“H Share Convertible Bonds”	the convertible bonds with an aggregate principal amount of up to EUR400 million or its equivalent proposed to be issued by the Company, which are convertible into H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* For identification purposes only

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

Hangzhou, the PRC, October 31, 2019

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