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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

**If you have sold or transferred** all your shares in Zhejiang Expressway Co., Ltd., you should at once hand this Circular with the accompanying form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 7 of this Circular.

A notice for convening the extraordinary general meeting (the “EGM”) of the Company to be held at 10 a.m. on Monday, December 23, 2019 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People’s Republic of China is set out on pages EGM-1 to EGM-3 of this Circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company’s H Shares Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM (or any adjournment thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

November 7, 2019

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Notice of EGM</b> .....	EGM-1

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## DEFINITIONS

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*In this Circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles of Association”	the articles of association of the Company
“Board”	the Board of Directors of the Company
“Circular”	this circular to the Shareholders
“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
“EGM”	the extraordinary 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, the notice of which is set out on pages EGM-1 to EGM-3 of this Circular
“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
“Group”	the Company and its subsidiaries
“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

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## DEFINITIONS

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“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
“Latest Practicable Date”	November 4, 2019, being the latest practicable date for ascertaining certain information in this Circular
“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 Circular 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

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LETTER FROM THE BOARD

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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)**

*Chairman of the Company:*

Mr. YU Zhihong

*Executive Directors:*

Mr. CHENG Tao

Ms. LUO Jianhu

*Non-executive Directors:*

Mr. DAI Benmeng

Mr. YU Qunli

Mr. YU Ji

*Independent Non-executive Directors:*

Mr. PEI Ker-Wei

Ms. LEE Wai Tsang, Rosa

Mr. CHEN Bin

*Registered Office:*

12th Floor, Block A,

Dragon Century Plaza

1 Hangda Road

Hangzhou, Zhejiang Province 310007

The People's Republic of China

November 7, 2019

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS  
UNDER GENERAL MANDATE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular is to give you notice of the EGM and to provide you with information in relation to the resolution to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against the resolution at the EGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED ISSUE OF H SHARE CONVERTIBLE BONDS UNDER GENERAL MANDATE

Reference is made to the Company's announcement dated October 31, 2019.

For the purposes of existing borrowings repayment, satisfaction of the operation needs, debt structure adjustment, general working capital replenishment for the Group and project investments, the Company is considering to issue H Share Convertible Bonds at an appropriate time. The issue size will be up to EUR400 million or its equivalent, subject to the capital demand and market conditions at the time of the issue of the H Share Convertible Bonds. 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. The specific issue plan and authorisations to be sought from the Shareholders (the "**Authorisation**") are as follows:

The major terms of the proposed issue of the H Share Convertible Bonds

- a. The H Share Convertible Bonds of principal amount not more than EUR400 million (or its equivalent) can be issued one-off within the definite validity period as stated in item (h) below;
- b. Upon the request of share conversion applied by holders of the H Share Convertible Bonds, the converted new H Shares may be issued under the relevant General Mandate considered and approved at the general meeting of the Company;
- c. The currency of issue shall be determined based on the overseas bond market conditions at the time of the issue of the H Share Convertible Bonds;
- d. The method of issue shall be determined based on the overseas bond market conditions at the time of the issue of the H Share Convertible Bonds;
- e. The term and interest rate of issue shall be determined based on the overseas bond market conditions at the time of the issue of the H Share Convertible Bonds;
- f. The issuer of the H Share Convertible Bonds will be the Company;
- g. The H Share Convertible Bonds to be issued are proposed to be listed on the Stock Exchange or another foreign stock exchange;
- h. The Authorisation will be valid from the approval date of the Authorisation at the EGM to the date for convening the 2019 annual general meeting of the Company (the "**Validity Period**"), at which the Shareholders may vote to continue or revoke the Authorisation. In the event that the Company has resolved to carry out any issue of the H Share Convertible Bonds within the Validity Period and the Company has obtained the approval, permit or registration in relation to such issue from the regulatory authorities, the Company may complete such issue so far as such approval, permit or registration remains valid; and

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## LETTER FROM THE BOARD

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- i. Any H Share to be issued upon conversion of the H Share Convertible Bonds will rank *pari passu* with, and within the same class as, the H Shares in issue on the relevant conversion date in all respects, save in respect of entitlements to dividends and other distributions which will depend on the conversion date(s) of the H Share Convertible Bonds and the date for the payment of the dividends or other distributions with respect to the H Shares after conversion.

### **Use of proceeds**

The proceeds raised from the issue of the H Share Convertible Bonds will be used for repaying existing borrowings, satisfying the operation needs, adjusting the debt structure, replenishing working capital for the Group and project investments.

### **Conditions to the issue**

The Company expects the issue of the H Share Convertible Bonds will be conditional upon the following:

- the consideration and approval by way of special resolution at the EGM of the issue of the H Share Convertible Bonds;
- the obtaining of all necessary approval/consents from the relevant PRC regulatory authorities including the CSRC;
- the granting of the listing of the H Share Convertible Bonds by the Stock Exchange or another foreign stock exchange (as the case may be) on which the H Share Convertible Bonds are to be listed; and
- the granting of approval for the listing of and permission to deal in the H Shares to be issued upon conversion of the H Share Convertible Bonds by the Stock Exchange.

### **Authorisation matters in relation to the issue of the 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 (if required) listing of the H Share Convertible Bonds in the absolute discretion of the Board in accordance with the applicable laws and regulations and the Articles of Association, including, but not limited to the following:

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## LETTER FROM THE BOARD

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- (1) to formulate specific plan and terms for the issue of H Share Convertible Bonds according to the requirements of the relevant laws and regulations, the Shareholders' resolutions passed at the EGM and market conditions, including but not limited to the issue size, maturity, type of bonds, interest rate and method of determination, timing of issue, security plan, whether to allow repurchase and redemption, use of proceeds, rating, subscription method, term and method of repayment of principal and interests, listing and all other matters relating to the issue and (if required) listing of the H Share Convertible Bonds;
- (2) to prepare, produce and amend the application materials to be submitted to relevant regulatory authorities according to the applicable laws and advice from the relevant regulatory authorities;
- (3) to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure upon the allotment and issue of Conversion Shares;
- (4) to deal with other matters in relation to the issue of the H Share Convertible Bonds and execute all the relevant documents; and
- (5) to further grant the authority to the General Manager of the Company to deal with all the matters relating to the H Share Convertible Bonds at his/her absolute discretion.

The Authorisation to be sought from the Shareholders will be put forward to the EGM by way of special resolution for approval by Shareholders in accordance with the applicable PRC laws and regulations and the Articles of Association.

### **Others**

As at the Latest Practicable Date, the Company had approached the relevant investment banks to explore the feasibility relating to the issue of H Share Convertible Bonds but the Company did not have any concrete plan or timetable regarding the issue of H Share Convertible Bonds. The Board will comply with all the relevant requirements of the Listing Rules, the Articles of Association and the relevant laws and regulations of the PRC when exercising its power for the proposed issue of the H Share Convertible Bonds within the Validity Period.

### **3. NOTICE OF THE EGM**

You will find on pages EGM-1 to EGM-3 of this Circular a notice of the EGM to be held at 10 a.m. on Monday, December 23, 2019 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People's Republic of China.



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## LETTER FROM THE BOARD

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A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company's H Shares registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM (or any adjournment thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

#### 4. CONCLUSIONS AND RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that the terms of the proposed issue of the H Share Convertible Bonds are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the relevant resolution in relation to the proposed issue of the H Share Convertible Bonds to be proposed at the EGM.

#### 5. OTHER INFORMATION

Your attention is also drawn to the notice of the EGM.

Yours faithfully,  
For and on behalf of  
**Zhejiang Expressway Co., Ltd.**  
**YU Zhihong**  
*Chairman*

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## NOTICE OF EGM

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “**EGM**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) will be held at 10 a.m. on Monday, December 23, 2019 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People's Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing with or without modification or amendment the following resolution:

#### AS SPECIAL RESOLUTION

- “1. to approve and confirm the proposed issue of H share convertible bonds (the “**H Share Convertible Bonds**”) by the Company with an aggregate principal amount up to EUR400 million or its equivalent and the granting of authority to the board of directors of the Company (the “**Board**”) to deal with all matters relating to the proposed issue and listing of the H Share Convertible Bonds in the absolute discretion of the Board in accordance with the applicable laws and regulations and the articles of association of the Company (the “**Articles of Association**”), including, but not limited to the following:
- (1) to formulate specific plan and terms for the issue of the H Share Convertible Bonds according to the requirements of the relevant laws and regulations, the Shareholders' resolutions passed at the EGM and market conditions, including but not limited to the issue size, maturity, type of bonds, interest rate and method of determination, timing of issue, security plan, whether to allow repurchase and redemption, use of proceeds, rating, subscription method, term and method of repayment of principal and interests, listing and all other matters relating to the issue and (if required) listing of the H Share Convertible Bonds;
  - (2) to prepare, produce and amend the application materials to be submitted to relevant regulatory authorities according to the applicable laws and advice from the relevant regulatory authorities;
  - (3) to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure upon the allotment and issue of the H shares of the Company upon exercise of the conversion rights attached to the H Share Convertible Bonds;

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## NOTICE OF EGM

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- (4) to deal with other matters in relation to the issue of the H Share Convertible Bonds and execute all the relevant documents; and
- (5) to further grant the authority to the General Manager of the Company to deal with all the matters relating to the H Share Convertible Bonds at his/her absolute discretion.

Yours faithfully,  
For and on behalf of  
**Zhejiang Expressway Co., Ltd.**  
**Yu Zhihong**  
*Chairman*

Hangzhou, PRC  
November 7, 2019

*Notes:*

**1. Registration procedures for attending the EGM**

- (1) Holders of H shares of the Company (“**H Shares**”) and domestic shares of the Company (“**Domestic Shares**”) intending to attend the EGM should return the reply slip for attending the EGM to the Company by post or by facsimile (address and facsimile numbers are shown in paragraph 5(2) below) such that the same shall be received by the Company on or before December 3, 2019.
- (2) A shareholder or his/her/its proxy should produce proof of identity when attending the EGM. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative shall produce proof of identity and a copy of the resolution of the board of directors or other governing body of such shareholder appointing such legal representative to attend the meeting.

**2. Proxy**

- (1) A shareholder eligible to attend and vote at the EGM is entitled to appoint, in written form, one or more proxies to attend and vote at the EGM on behalf of him/her/it. A proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a written instrument signed by the appointor or an attorney authorised by him/her/it for such purpose. If the appointor is a corporation, the same shall be affixed with the seal of such corporation, or signed by its director(s) or duly authorised representative(s). If the instrument appointing a proxy is signed by a person authorised by the appointor the power of attorney or other authorisation document(s) shall be notarised.
- (3) To be valid, the power of attorney or other authorisation document(s) (which have been notarised) together with the completed form of proxy must be delivered, in the case of holders of Domestic Shares, to the Company at the address shown in paragraph 5(2) below and, in the case of holders of H Shares, to Hong Kong Registrars Limited, at 17M/F, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong, at least 24 hours before the time designated for holding of the EGM.
- (4) Any vote of the shareholders of the Company present in person or by proxy at the EGM must be taken by poll.

**3. Book closing period**

For the purpose of the EGM, the register of members holding H Shares will be closed from November 23, 2019 to December 23, 2019 (both days inclusive).

**4. Last day of transfer and record date**

Holders of H Shares who intend to attend the EGM must deliver all transfer instruments and the relevant shares certificates to Hong Kong Registrars Limited at Rooms 1712–1716, 17/F, Hopewell Center, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. on November 22, 2019. For the purpose of the EGM, the record date will be December 20, 2019.

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## NOTICE OF EGM

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### 5. Miscellaneous

- (1) The EGM will not last for more than one day. Shareholders who attend shall bear their own traveling and accommodation expenses.
- (2) The principal place of business address of the Company is:

5/F, No. 2 Mingzhu International Business Center  
199 Wuxing Road  
Hangzhou City, Zhejiang 310020  
People's Republic of China  
Telephone No.: (+86)-571-8798 7700  
Facsimile No.: (+86)-571-8795 0329

*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.*