
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 0576)

Euro230 million zero coupon convertible bonds due 2026

(Stock Code: 40526)

- (1) GRANT OF SPECIFIC MANDATE TO ISSUE ADDITIONAL CONVERSION
SHARES DUE TO ADJUSTMENT UNDER THE CONVERTIBLE BONDS;
(2) PROPOSED CHANGE IN SUPERVISOR;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**
-

A notice for convening the extraordinary general meeting (the “EGM”) of the Company to be held at 10 a.m. on June 9, 2023 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC is set out on pages 8 to 10 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 the case of H Shareholders, 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.

May 22, 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
NOTICE OF EXTRAORDINARY GENERAL MEETING	8

DEFINITIONS

In this Circular, unless the context specifies otherwise, the following expressions shall have the meanings stated below:

“Adjustment”	the adjustment of the Conversion Price of the Convertible Bonds subject to the Capital Distribution (as defined in the CB Terms and Conditions)
“Board”	the board of Directors
“CB Terms and Conditions”	The terms and conditions of the Convertible Bonds, details of which are set out in the announcement of the Company dated January 21, 2021 in relation to the publication of offering circular of the Convertible Bonds
“Circular”	this circular to the Shareholders
“Communications Group”	Zhejiang Communications Investment Group Go., Ltd.* (浙江省交通投資集團有限公司), a state-controlled enterprise established in the PRC and the controlling shareholder 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 Price”	the price per Conversion Share (subject to adjustments) at which the Convertible Bonds may be converted into the H Shares
“Conversion Share(s)”	the H Shares to be issued upon conversion of the Convertible Bonds
“Convertible Bonds”	Euro230 million zero coupon convertible bonds due 2026 convertible into H Shares at an initial Conversion Price of HK\$8.83 per H Share and subject to adjustments, the details of which are set out in the announcements of the Company dated January 20, 2021 and January 21, 2021
“Director(s)”	the director(s) of the Company
“Euro”	the lawful currency of the member state of the Eurozone
“EGM”	an extraordinary general meeting of the Company to be convened on June 9, 2023 for the purpose of considering, and if thought fit, approving the grant of the Specific Mandate and the proposed change in Supervisor

DEFINITIONS

“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 per share, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars since May 15, 1997
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	May 17, 2023, being the latest practicable date for ascertaining certain information contained 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 (for the purpose of this Circular, excludes Hong Kong, 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
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Directors at the EGM for the allotment and issue of the 13,001,017 H Shares of the additional Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“2020 General Mandate”	a general mandate to the Directors to issue, allot and/or deal with additional H Shares not exceeding 286,770,900 H Shares, equivalent to 20% of the aggregate nominal amount of H Shares of the Company in issue as at the date of the 2019 annual general meeting of the Company held on May 15, 2020

* For identifications only.

LETTER FROM THE BOARD



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. CHEN Ninghui

Mr. YUAN Yingjie

Non-executive Directors:

Mr. YANG Xudong

Mr. FAN Ye

Mr. HUANG Jianzhang

Independent Non-executive Directors:

Mr. PEI Ker-Wei

Ms. LEE Wai Tsang, Rosa

Mr. CHEN Bin

Registered Address:

12/F, Block A, Dragon Century Plaza

1 Hangda Road

Hangzhou City, Zhejiang 310007

People's Republic of China

Principal Place of Business:

5/F., No. 2

Mingzhu International Business Center

199 Wuxing Road

Hangzhou

Zhejiang Province 310020

The People's Republic of China

May 22, 2023

To the Shareholders

Dear Sir or Madam,

**(1) GRANT OF SPECIFIC MANDATE TO ISSUE ADDITIONAL CONVERSION
SHARES DUE TO ADJUSTMENT UNDER THE CONVERTIBLE BONDS;
(2) PROPOSED CHANGE IN SUPERVISOR;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

References are made to (i) the announcements of the Company dated October 31, 2019, January 5, 2021 and January 6, 2021 and the circular of the Company dated November 7, 2019 in relation to the proposed issue of Convertible Bonds; (ii) the announcements of the Company dated January 20, 2021 and January 21, 2021 in relation to the notice of listing on the Stock Exchange and the offering circular of Convertible Bonds; (iii) the announcement of the Company dated June 30, 2022 in relation to, among other things, the adjustment to Conversion Price; (iv) the announcement of the Company dated May 4, 2023 in relation to, among other things, the adjustment to Conversion Price and Specific Mandate to be

LETTER FROM THE BOARD

sought from the Shareholders; and (v) the announcement of the Company dated May 17, 2023 in relation to the proposed change in Supervisor (collectively, the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this Circular shall have the same meanings as those defined in the Announcements.

The purpose of this Circular is to provide the Shareholders with, (i) further details of the Adjustment and the Specific Mandate to be sought from the Shareholders; (ii) further details of the proposed change in Supervisor; and (iii) a notice of the EGM.

2. GRANT OF SPECIFIC MANDATE TO ISSUE ADDITIONAL CONVERSION SHARES DUE TO ADJUSTMENT UNDER THE CONVERTIBLE BONDS

The CB Terms and Conditions provided, among other things, that if the Company pays or makes any Capital Distribution (as defined in the CB Terms and Conditions), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

- A. is the sum of (i) the aggregate number of Ordinary Shares (as defined in the CB Terms and Conditions) of one class multiplied by the relevant Current Market Price (as defined in the CB Terms and Conditions) per Ordinary Share of such class and (ii) the aggregate number of Ordinary Shares of a second class multiplied by the relevant Current Market Price per Ordinary Share of such class, in each case on the date on which the Capital Distribution is first publicly announced; and
- B. is the Fair Market Value (as defined in the CB Terms and Conditions) of the aggregate Capital Distribution to the Ordinary Shareholders.

Such Adjustment shall become effective on the date that such Capital Distribution is actually made or, if a record date is fixed therefor, immediately after such record date.

With effect from May 16, 2023, being the day immediately after the record date in respect of the dividend which has been approved by the Shareholders at the annual general meeting of the Company held on May 4, 2023, the Conversion Price of the Convertible Bonds will be adjusted from the Conversion Price of HK\$7.80 per H Share to the adjusted Conversion Price of HK\$7.30 per H Share, in accordance with the CB Terms and Conditions (in the above fraction, A equals to HK\$28,998,975,516.50, being the aggregate number of 4,343,114,500 of H Shares and Domestic Shares, multiplied by the Current Market Price of HK\$6.677 being the average of the daily Closing Price on each of the 10 consecutive Trading Days ending on and including the date immediately preceding May 4, 2023; B equals to HK\$1,850,731,381.89 being the Fair Market Value of the dividend to all the Shareholders). Save for the Adjustment, the other terms of the Convertible Bonds remain unchanged.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the aggregate principal amount under the Convertible Bonds that remains outstanding is Euro230 million. Immediately following the Adjustment, the total Conversion Shares issuable by the Company upon full conversion of the Convertible Bonds at the adjusted Conversion Price of HK\$7.30 per H Share will be 299,771,917 H Shares, representing an increase of 19,216,148 H Shares from 280,555,769 H Shares based on the previous Conversion Price of HK\$7.80 per H Share.

An application will be made by the Company to the Stock Exchange for the additional Conversion Shares and listing of, and permission to deal in, the additional Conversion Shares on the Stock Exchange.

The Company is entitled to issue and allot a maximum of 286,770,900 H Shares pursuant to the 2020 General Mandate. Taking into account of the additional Conversion Shares, the maximum number of Conversion Shares after the Adjustment will not be sufficiently covered under the maximum number of H Shares that can be issued pursuant to the 2020 General Mandate. Therefore, additional 13,001,017 Conversion Shares will be issued and allotted under the Specific Mandate to be sought from the Shareholders.

3. PROPOSED CHANGE IN SUPERVISOR

The Supervisory Committee received, on May 17, 2023 a written resignation tendered by Mr. Zheng Ruchun (“**Mr. Zheng**”), a Supervisor representing shareholders and the chairman of Supervisory Committee. Mr. Zheng has proposed to resign as a Supervisor representing shareholders and the chairman of Supervisory Committee due to retirement. Such resignation will become effective upon the appointment of a new Supervisor representing shareholders is approved by the EGM.

Mr. Zheng has confirmed that he has no disagreement with the Board as well as the Supervisory Committee and there is no other matter relating to his resignation that needs to be brought to the attention of the Shareholders.

The Board and the Supervisory Committee would like to express its appreciation to Mr. Zheng for his contribution to the development of the Company during his term of office.

Ms. Li Yuan (“**Ms. Li**”) has been nominated as a candidate of Supervisor representing shareholders by the Communications Group, the controlling shareholder of the Company. Ms. Li will serve for a term commencing from the date of the approval at the EGM of the Company until the date of expiration of the ninth session of the Supervisory Committee, being June 30, 2024.

Ms. Li, born in 1977, graduated from Shanghai University of Finance and Economics (Shanghai National Accounting Institute) with a Master’s Degree in Accounting and is a senior accountant. Ms. Li started working in 1999. She served as Assistant Department Manager of Zhejiang Pan-China Certified Public Accountants, Deputy General Manager of the Financial Management Department and Director of the Audit Department (Comprehensive Supervision Department) of the Communications Group. She is currently General Manager of the Financial Management Department of the Communications Group.

LETTER FROM THE BOARD

Save as disclosed above, Ms. Li had not held any other directorship in any listed public companies in Hong Kong or overseas, in the last three years nor any other positions with the Group. Save as disclosed above, Ms. Li has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Li had no interest in the shares of the Company or its associated corporation within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at the Latest Practicable Date, there was no other matter relating to Ms. Li that needed to be brought to the attention of the Shareholders nor was there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

4. EGM

You will find on pages 8 to 10 of this Circular a notice for convening the EGM of the Company to be held at 10 a.m. on Friday, June 9, 2023 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the PRC.

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 Center, 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.

5. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed resolutions set out above are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the EGM.

By order of the board of Directors
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 June 9, 2023 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, 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 resolutions:

AS ORDINARY RESOLUTIONS

1. to elect Ms. Li Yuan as the supervisor representing shareholders of the Company (the “**Supervisor Representing Shareholders**”); and
2. to authorise the board of directors of the Company to approve the service contract of the Supervisor Representing Shareholders and all other relevant documents and to authorise any one executive director of the Company to sign such contract and other relevant documents for and on behalf of the Company and to take all necessary actions in connection therewith.

AS SPECIFIC RESOLUTION

3. to consider and approve the grant of a specific mandate to the board of directors to issue, allot and deal with a maximum of 13,001,017 H shares of the Company (the “**H Shares**”) for issuance of conversion shares exceeding the 2020 General Mandate (as defined in the circular of the Company dated May 22, 2023) upon conversion of the Euro230 million zero coupon convertible bonds due 2026 into H Shares at the adjusted conversion price of HK\$7.30.

By order of the Board
Zhejiang Expressway Co., Ltd.
Tony Zheng
Company Secretary

Hangzhou, the PRC
May 22, 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Registration procedures for attending the EGM

- (a) Holders of 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(b) below) such that the same shall be received by the Company on or before June 8, 2023.
- (b) 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

- (a) 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.
- (b) A proxy shall be appointed by a written instrument signed by the appointor or an attorney authorized 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 authorized representative(s). If the instrument appointing a proxy is signed by a person authorized by the appointor, the power of attorney or other authorisation document(s) shall be notarized.
- (c) To be valid, the power of attorney or other authorisation document(s) (which have been notarized) 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(b) below and, in the case of holders of H Shares, to Hong Kong Registrars Limited at 17M Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong, at least 24 hours before the time designated for holding of the EGM (or any adjournment thereof).
- (d) 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 of the Company will be closed from June 6, 2023 to June 9, 2023, (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 June 5, 2023.

For the purpose of the EGM, the record date will be June 9, 2023.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. Miscellaneous

(a) The EGM will not last for more than one day. Shareholders who attend shall bear their own traveling and accommodation expenses.

(b) The principal place of business of the Company in the PRC is:

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

As at the date of this notice, the Chairman of the Company is Mr. YU Zhihong; the executive Directors of the Company are Mr. CHEN Ninghui and Mr. YUAN Yingjie; the other non-executive Directors of the Company are: Mr. YANG Xudong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.