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*(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)**

## **ANNOUNCEMENT ON RESOLUTIONS OF THE AGM**

Reference is made to the circular of Zhejiang Expressway Co., Ltd. (the “**Company**”) dated April 11, 2023 (the “**Circular**”) and announcements of the Company dated April 20, 2023 and April 26, 2023, respectively. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Circular.

The Company held its 2022 annual general meeting (the “**AGM**”) at 10:00 a.m., on Thursday, May 4, 2023 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People’s Republic of China (the “**PRC**”). Chairman of the Company, Mr. Yu Zhihong, chaired the AGM. Mr. Yu Zhihong, Mr. Chen Ninghui, Mr. Yuan Yingjie, Mr. Yang Xudong, Mr. Fan Ye, Mr. Huang Jianzhang and Mr. Chen Bin, being the directors of the Company, attended the AGM. Mr. Wan Shengyang of Deloitte Touche Tohmatsu Certified Public Accountants was appointed and acted as scrutineer for the vote taking during the AGM.

Shareholders of the Company (the “**Shareholders**”) who attended the AGM in person or by proxy represented a total of 3,920,763,848 shares of the Company entitled to attend and to vote at the AGM, or 90.28% of the total issued share capital of the Company as at the date of the AGM. Voting at the AGM took place by way of poll, and details of voting results on all proposed resolutions are as follows:

### **AS ORDINARY RESOLUTIONS**

1. Resolved to approve the report of the directors of the Company (“**Directors**”) for the year 2022, with 3,918,009,825 shares voted in the affirmative (representing 99.93% of the total shares held by the Shareholders present at the AGM) and 2,754,023 shares voted in the negative (representing 0.07% of the total shares held by the Shareholders present at the AGM);

2. Resolved to approve the report of the supervisory committee of the Company for the year 2022, with 3,918,009,825 shares voted in the affirmative (representing 99.93% of the total shares held by the Shareholders present at the AGM) and 2,754,023 shares voted in the negative (representing 0.07% of the total shares held by the Shareholders present at the AGM);
3. Resolved to approve the audited financial statements of the Company for the year 2022, with 3,918,009,825 shares voted in the affirmative (representing 99.93% of the total shares held by the Shareholders present at the AGM) and 2,754,023 shares voted in the negative (representing 0.07% of the total shares held by the Shareholders present at the AGM);
4. Resolved to approve the payment of a dividend of RMB37.5 cents per share in respect of the year ended December 31, 2022, with 3,917,401,825 shares voted in the affirmative (representing 99.91% of the total shares held by the Shareholders present at the AGM) and 3,362,023 shares voted in the negative (representing 0.09% of the total shares held by the Shareholders present at the AGM);
5. Resolved to approve the final accounts of the Company for the year 2022 and the financial budget of the Company for the year 2023, with 3,524,599,579 shares voted in the affirmative (representing 89.90% of the total shares held by the Shareholders present at the AGM) and 396,164,269 shares voted in the negative (representing 10.10% of the total shares held by the Shareholders present at the AGM);
6. Resolved to approve the re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants Hong Kong as the Hong Kong auditor of the Company, and authorize the board of directors of the Company (the “**Board**”) to fix their remuneration, with 3,895,588,725 shares voted in the affirmative (representing 99.36% of the total shares held by the Shareholders present at the AGM) and 25,175,123 shares voted in the negative (representing 0.64% of the total shares held by the Shareholders present at the AGM);
7. Resolved to approve the re-appointment of Pan China Certified Public Accountants as the PRC auditor of the Company, and authorize the Board to fix their remuneration, with 3,907,159,025 shares voted in the affirmative (representing 99.65% of the total shares held by the Shareholders present at the AGM) and 13,604,823 shares voted in the negative (representing 0.35% of the total shares held by the Shareholders present at the AGM).

## AS SPECIAL RESOLUTION

8. Resolved to approve the grant of a general mandate to the Board to issue, allot and deal with additional H Shares (as defined in the Circular of the Company dated April 11, 2023) not exceeding 20% of the H Shares of the Company in issue and authorize the Board to make corresponding amendments to the articles of association of the Company (“**Articles of Association**”) as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of H Shares, with 3,312,041,329 shares voted in the affirmative (representing 84.47% of the total shares held by the Shareholders present at the AGM) and 586,612,099 shares voted in the negative (representing 14.96% of the total shares held by the Shareholders present at the AGM), the details are as follows:

**“THAT:**

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company and the applicable laws and regulations of the People’s Republic of China, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional H Shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of H shares of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of the aggregate nominal amount of H shares of the Company in issue on the date of passing this resolution, other than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; and

(d) For the purpose of this special resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until the earliest of:

- the conclusion of the next annual general meeting of the Company;
- the expiration of the period with in which the next annual general meeting of the Company is required by the Articles of Association of the Company or other applicable laws to be held; or
- the date on which the authority set out in this resolution is revoked or varied by a resolution of the shareholders at any general meeting of the Company.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

- (B) The Board be authorized to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.
- (C) The Board is authorized to grant the general mandate to the Chairman and General Manager to individually or jointly issue H Shares at their absolute discretion.”;

At the time of the AGM, the total number of shares in issue of the Company as well as entitling the holders to attend and vote at the AGM in respect of all the proposed resolutions of the AGM was 4,343,114,500 shares. There was no share requiring any holder to attend and vote only against the resolutions or to abstain from voting at the AGM.

## **FURTHER INFORMATION ON THE PAYMENT OF THE DIVIDEND FOR THE YEAR 2022**

The payment of a dividend of RMB37.5 cents per share in respect of the year ended December 31, 2022 was approved by more than half of the votes cast by the Shareholders at the AGM.

For determining the entitlement to the proposed dividend in respect of the year ended December 31, 2022, the register of members holding H shares of the Company (the “**H Shares**”) will be closed from May 10, 2023 to May 15, 2023 (both days inclusive), during which period no transfer of H shares will be effected. Holders of H Shares who intend to qualify for the proposed 2022 dividend 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, Wanchai, Hong Kong, no later than 4:30 p.m. on May 9, 2023. Shareholders whose names appear in the register of members of the Company on May 15, 2023 (the “**Record Date**”) are entitled to the proposed dividend.

Pursuant to the relevant regulations and the Articles of Association, dividends for holders of H Shares (excluding Shareholders who are Chinese Mainland individual investors or enterprise investors investing in shares listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect) shall be paid in Hong Kong dollars according to the average closing exchange rate of Hong Kong dollars to Renminbi declared by the People’s Bank of China in the five trading days prior to the date of the declaration of dividends. The applicable exchange rate for the purpose of the payment of the dividend for the year 2022 is therefore HK\$1.00 to RMB0.88002.

Dividends payable to the Shareholders who are Chinese Mainland individual investors or corporate investors investing in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect will be paid in Renminbi by the China Securities Depository and Clearing Corporation Limited Shanghai Branch or Shenzhen Branch as entrusted by the Company.

According to the Law on Corporate Income Tax of the People’s Republic of China and the relevant implementing rules (the “**CIT Law**”) which came into effect on January 1, 2008, the Company is obliged to withhold for payment the corporate profit tax, which is at the rate of 10%, from the payment of dividends to non-resident enterprises (as defined under the CIT Law, including HKSCC (Nominees) Limited, other nominees, trustees or other groups and organizations) who are holders of H Shares. Dividends paid to natural persons who are holders of H Shares are not subject to individual income tax for the time being.

According to the requirements of the “Notice on Taxation Policies Concerning the Shanghai-Hong Kong Stock Connect Pilot Program (Finance Tax [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and “Notice on Taxation Policies Concerning the Shenzhen-Hong Kong Stock Connect Pilot Program (Finance Tax [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) jointly published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect tax arrangements are as follows: (i) for Chinese Mainland individual investors who invest in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the dividend for the year 2022. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad; and (ii) for Chinese Mainland securities investment funds that invest in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the dividend for the year 2022 pursuant to the foregoing provisions.

For Chinese Mainland corporate investors that invest in the H Share via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the dividend for the year 2022 and such investors shall file the tax returns on their own.

The dividend of HK\$42.613 cents per share (before tax) is expected to be paid to the holders of H Shares of the Company on June 16, 2023.

Investors should read this announcement carefully. The Company will withhold for payment of the corporate profit tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the H Share register of members on the Record Date. The Company will owe no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders, or any disputes over the mechanism of withholding.

## ADJUSTMENT TO CONVERSION PRICE OF €230,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2026

References are made to the announcements of the Company dated January 20, 2021 and January 21, 2021 in relation to the issue of the zero coupon convertible bonds due 2026 in an aggregate principal amount of €230,000,000 (the “**Convertible Bonds**”).

The terms and conditions of 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 (as defined in the CB Terms and Conditions) 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 (as defined in the CB Terms and Conditions).

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.

The payment of the dividend for the year 2022 as recommended by the Board was approved by the Shareholders at the 2022 AGM. With effect from May 16, 2023, being the day immediately after the record date in respect of the proposed dividend, 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 (the “**Adjustment**”), in accordance with CB Terms and Conditions. Save for the abovementioned Adjustment to the Conversion Price, the other terms of the Convertible Bonds remain unchanged.

As at the date of this announcement, the aggregate principal amount under the Convertible Bonds that remains outstanding is €230,000,000. Immediately following the Adjustment, the maximum number of H 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 (the “**Additional Conversion Shares**”) from 280,555,769 H Shares based on the previous Conversion Price of HK\$7.80 per H Share.

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 general mandate approved by the Shareholders at the annual general meeting of the Company held on May 15, 2020 (the “**2020 General Mandate**”). The Company is entitled to issue and allot a maximum of 286,770,900 H Shares pursuant to the 2020 General Mandate. Therefore, 13,001,017 H Shares of the Additional Conversion Shares will be issued and allotted under a specific mandate to be sought from the Shareholders (the “**Specific Mandate**”).

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

An extraordinary general meeting will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the grant of the Specific Mandate.

A circular containing, among other things, (i) further details of the Specific Mandate; and (ii) notice convening the extraordinary general meeting, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

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

Hangzhou, the PRC, May 4, 2023

*As at the date of this announcement, 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.*