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

ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE AGM

Zhejiang Expressway Co., Ltd. (the “**Company**”) held its 2016 annual general meeting (the “**AGM**”) at 10:00 a.m. on Thursday, May 18, 2017 at 5/F, No. 2 Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, the People’s Republic of China (the “**PRC**”).

Shareholders of the Company (the “**Shareholders**”) who attended the AGM by proxy represented a total of 3,725,638,583 shares of the Company entitled to attend and to vote at the AGM, or 85.7826% of the total issued share capital of the Company as at the date of the AGM. Chairman of the Company, Mr. Zhan Xiaozhang, chaired the AGM. Votings at the AGM took place by way of poll, the details of all the proposed resolutions to be resolved are as follows:

AS ORDINARY RESOLUTIONS

1. Resolved to approve the report of the directors of the Company for the year 2016, with 3,725,408,583 shares voted in the affirmative (representing 99.9938% of the total shares held by the Shareholders present at the AGM) and 230,000 shares voted in the negative (representing 0.0062% 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 2016, with 3,725,408,583 shares voted in the affirmative (representing 99.9938% of the total shares held by the Shareholders present at the AGM) and 230,000 shares voted in the negative (representing 0.0062% 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 2016, with 3,725,408,583 shares voted in the affirmative (representing 99.9938% of the total shares held by the Shareholders present at the AGM) and 230,000 shares voted in the negative (representing 0.0062% of the total shares held by the Shareholders present at the AGM);
4. Resolved to approve the payment of a final dividend of RMB29.5 cents per share in respect of the year ended December 31, 2016, with 3,725,638,583 shares voted in the affirmative (representing 100% of the total shares held by the Shareholders present at the AGM) and no shares voted in the negative;
5. Resolved to approve the final accounts of the Company for the year 2016 and the financial budget of the Company for the year 2017, with 3,725,408,583 shares voted in the affirmative (representing 99.9938% of the total shares held by the Shareholders present at the AGM) and 230,000 shares voted in the negative (representing 0.0062% of the total shares held by the Shareholders present at the AGM);
6. Resolved to consider and elect Mr. Wu Qingwang (吳清旺) as an independent supervisor of the Company with 3,722,226,432 shares voted in the affirmative (representing 99.9084% of the total shares held by the Shareholders present at the AGM) and 2,876,151 shares voted in the negative (representing 0.0772% of the total shares held by the Shareholders present at the AGM);
7. Resolved to approve the re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants Hong Kong as the Hong Kong auditors of the Company, and authorize the board of directors of the Company (the “**Board**”) to fix their remuneration, with 3,725,636,482 shares voted in the affirmative (representing 99.9999% of the total shares held by the Shareholders present at the AGM) and 2,101 shares voted in the negative (representing 0.0001% of the total shares held by the Shareholders present at the AGM);
8. Resolved to approve the re-appointment of Pan China Certified Public Accountants as the PRC auditors of the Company, and authorize the Board to fix their remuneration, with 3,725,636,482 shares voted in the affirmative (representing 99.9999% of the total shares held by the Shareholders present at the AGM) and 2,101 shares voted in the negative (representing 0.0001% of the total shares held by the Shareholders present at the AGM);

AS SPECIAL RESOLUTIONS

9. Resolved to approve the grant of a general mandate to the Board to issue, allot and deal with additional H shares not exceeding 20% of the H shares of the Company in issuing and authorizing the Board 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 H shares with 3,016,478,388 shares voted in the affirmative (representing 80.9654% of the total shares held by the Shareholders present at the AGM) and 709,160,195 shares voted in the negative (representing 19.0346% 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 PRC, 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, otherwise 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 within 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; and
- the revocation or variation of the authority given under this resolution by a special resolution in general meeting.

“**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 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.”

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 the resolutions of the AGM was 4,343,114,500. There was no share requiring any holder to attend and vote only against the resolutions or to abstain from voting at the AGM. Mr. Eric Shi of Deloitte Touche Tohmatsu Certified Public Accountants was appointed and acted as scrutineers for the vote taking during the AGM.

FURTHER INFORMATION ON THE PAYMENT OF FINAL DIVIDEND

The payment of a final dividend of RMB29.5 cents per share in respect of the year ended December 31, 2016 was approved by more than half of the votes cast by the Shareholders at the AGM.

For determining the entitlement to the proposed final dividend, the register of members holding H shares of the Company (the “**H Shares**”) will be closed from May 24, 2017 to May 29, 2017 (both days inclusive), during which period no transfer of H Shares will be effected. In order for holders of H Shares to qualify for the proposed final dividend, all transfers of H Shares accompanied by the transfer instruments and relevant share certificates must be lodged with the Company’s share registrars in Hong Kong, Hong Kong Registrars Limited at Rooms 1712-1716, 17/F Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on May 23, 2017. Shareholders whose names appear in the register of members of the Company on May 23, 2017 (the “**Record Date**”) are entitled to the said final 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 Hong Kong 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 final dividend is therefore HK\$1.00 to RMB0.88398.

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) and (《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 final dividend. 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 final dividend 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 final dividend and such investors shall file the tax returns on their own.

The final dividend of HK\$33.3718 cents per share (before tax) is expected to be paid to the H Shareholders of the Company on June 26, 2017.

Investors should read this announcement carefully. The Company will withhold for payment 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 €365,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2022

References are made to the announcements of the Company dated 5 April 2017, 6 April 2017 and 21 April 2017 in relation to the issue of the zero coupon convertible bonds due 2022 in an aggregate principal amount of €365,000,000 (the “**Bonds**”).

The payment of the 2016 final dividend as recommended by the Board was approved by the Shareholders at the 2016 AGM. With effect from 24 May 2017, being the day immediately after the record date in respect of the 2016 final dividend, the Conversion Price of the Bonds will be adjusted from the initial Conversion Price of HK\$13.10 per H Share to the adjusted Conversion Price of HK\$12.63 per H Share (the “**Adjustment**”), in accordance with the terms and conditions of the Bonds. Save for the abovementioned Adjustment to the Conversion Price, the other terms of the Bonds remain unchanged.

As at the date of this announcement, the aggregate principal amount under the Bonds that remains outstanding is €365,000,000. Immediately following the Adjustment, the maximum number of H Shares issuable by the Company upon full conversion of the Bonds at the adjusted Conversion Price of HK\$12.63 per H Share will be 239,761,361 H Shares, representing an increase of 8,602,124 H Shares (the “**Additional Conversion Shares**”) from the original 231,159,237 H Shares based on the initial Conversion Price of HK\$13.10 per H Share.

The Additional Conversion Shares will be issued and allotted pursuant to the general mandate approved by the Shareholders at the annual general meeting of the Company held on 6 May 2016 (the “**General Mandate**”). The Company is entitled to issue and allot a maximum of 286,770,900 H Shares pursuant to the General Mandate and has not fully utilised the General Mandate as at the date of this announcement.

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.

By order of the Board
Tony Zheng
Company Secretary

Hangzhou, the PRC
May 18, 2017

As at the date of this announcement, the executive directors of the Company are: Mr. ZHAN Xiaozhang, Mr. CHENG Tao and Ms. LUO Jianhu; the non-executive directors of the Company are: Mr. WANG Dongjie, Mr. DAI Benmeng and Mr. ZHOU Jianping; and the independent non-executive directors of the Company are: Mr. ZHOU Jun, Mr. PEI Ker-Wei and Ms. LEE Wai Tsang Rosa.