



浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

[FOR IMMEDIATE RELEASE]

Zhejiang Expressway Announces 2021 Annual Results

*Taking proactive actions to do better and
striving to pursue the goal of “Striving for Excellence”*

Financial Highlights

- Revenue was Rmb16,262.60 million, representing an increase of 30.6% year-on-year
- Profit attributable to owners of the Company was Rmb4,762.43 million, representing an increase of 97.1%
- Basic earnings per share was Rmb109.65 cents, and diluted earnings per share was Rmb102.50 cents
- A dividend of Rmb37.50 cents per share was recommended

(Hong Kong, March 24, 2022) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH) today announced the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended December 31, 2021 (the “Period”).

During the Period, revenue for the Group was Rmb16,262.60 million, representing an increase of 30.6% over 2020. Profit attributable to owners of the Company was Rmb4,762.43 million, representing an increase of 97.1% year-on-year. Basic earnings per share for the Period was Rmb109.65 cents (2020 (Restated): Rmb55.64 cents), and diluted earnings per share for the Period was Rmb102.50 cents (2020 (Restated): Rmb55.19 cents). The Board of Directors recommended a dividend of Rmb37.50 cents per share, subject to shareholders’ approval at the Company’s 2021 annual general meeting.

Mr. Yuan Yingjie, General Manager of the Company, said, “In 2021, in the face of the challenging and complex international environment, as well as the sporadic rebound of the epidemic situation at home, the Chinese government adhered to the general keynote of maintaining stable growth with steady progress, hence the national economy continued to recover steadily. During the Period, toll revenue of the Group’s expressways recorded significant growth due to the effect of low base in the same period in 2020, while revenue from the securities business recorded stable growth, benefiting from the positive momentum in the domestic capital markets. The Group took proactive actions to do better during the opening year of the 14th Five-Year Plan, continuously strengthening the brand



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influence of its core business operations, enhancing the core competitiveness of its securities business and providing stable shareholder returns.”

Business Review

In 2021, the traffic volume of the Group’s expressways generally maintained a steady growth as China’s economy continued to recover, while toll revenue achieved a significant increase. Meanwhile, Zheshang Securities actively seized market opportunities and constantly enhanced its core competitiveness. As a result, performance of the securities business remained stable.

For the toll road business, performance of the toll revenue and traffic volume varied among different sections of the Group’s expressways due to various factors. From August 6, 2020, the Zhejiang Provincial Government reduced the discounts for Class-3 and Class-4 passenger vehicles with ETC registrations, as well as trucks from other provinces with ETC registrations, which generated certain positive impact on the toll revenue during the Period. In addition, the relevant local governments in Zhejiang Province have respectively implemented a policy to pay the tolls for local Class-1 passenger vehicles with ETC registrations travelling on certain sections of expressways, helping the passenger vehicles traffic volume growth of relevant sections of the Group’s expressways. However, the traffic volume of the Group’s expressways was still adversely affected by the epidemic containment policies and measures. In addition, certain sections of the Group’s expressways were also affected by the diversion of traffic from neighboring road networks.

Looking back at 2021, the Group’s core expressway business maintained steady development. In particular, the Group deepened implementation of branding concept in operation, and carried out the intelligent upgrade and innovation project of Zhejiang Expressway in an orderly manner. The Group also carried out the guardrail and traffic markings renovation project, and strengthened the systematic management of congested road sections with high traffic volume, effectively improving the traffic efficiency. In addition, the Group initiated pilot projects for differentiated toll collection and conducted marketing activities to constantly improve its marketing capabilities.

In terms of investment and financing, the Group successfully acquired a 55% controlling stake in Jiaxing Zhajiasu Expressway Co. Ltd. in May 2021, further expanding the scale of its core expressway business. Furthermore, the Hanghui Expressway public REITs project was successfully listed on the Shanghai Stock Exchange in June 2021, which was conducive to revitalizing the stock assets and innovating financing model.



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During the Period, total toll revenue from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 141km Shangsang Expressway, the 70km Jinhua Section of the Ningbo-Jinhua Expressway, the 122km Hanghui Expressway, the 82km Huihang Expressway, the 93km Shenjiahuhang Expressway, the 46km Zhoushan Bay Bridge, the 222km LongLiLiLong Expressways and the 50km Zhajiasu Expressway was Rmb9,607.20 million, representing an increase of 39.5% year-on-year and 59.1% of the Group's total revenue.

For the securities business, with the establishment of Beijing Stock Exchange and the simultaneous launch of the pilot run of the registration-based IPO system, as well as amid the positive market environment as a result of capital market reform, securities trading activities increased and the domestic capital market flourished. Zheshang Securities has actively grasped the market opportunities and continuously improved its compliance and risk control standards as well as core competitiveness, resulting in stable and progressive operating results. During the Period, Zheshang Securities recorded total revenue of Rmb6,403.02 million, representing an increase of 25.9% year-on-year and 39.4% of the Group's total revenue, of which, commission and fee income increased 27.2% year-on-year to Rmb4,155.66 million, and interest income from the securities business was Rmb2,247.36 million, an increase of 23.4% year-on-year. In addition, securities investment gains of Zheshang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb1,835.56 million.

Outlook

Looking forward to 2022, despite the burdens of contracted demand, supply chain disruption and weakening expectations as well as uncertainties brought on by the ongoing Russia-Ukraine conflict, China's economy is expected to achieve stable growth in 2022 with the support of the government's sound and effective macro policies and initiatives to smooth the economic circulations. In the critical year for implementation of the 14th Five-Year Plan, the Group will adhere to the principle of high-quality and sustainable development, continue to build a renowned brand for expressway operations and services in China, steadily move towards becoming a top-tier securities company in China, and devote itself in pursuing the goal of "Striving for Excellence".

Mr. Yuan concluded, "Looking ahead, in the face of the complex and volatile domestic and international economic situation, the Group will continue to strengthen its expressway business and optimize its securities and finance business based on its own strength. We will actively study the changes in government policy and market environment, focus on exploring the investment opportunities of high-quality expressway projects under the premise of risk control, and continuously expand the scale of its core business. Meanwhile,



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we will leverage the Group's brand and experience advantages in the field of transportation infrastructure REITs to enhance the financing capacity of the public REITs listing platform and increase research efforts on transportation-related infrastructure projects to drive the high-quality and sustainable development of the Company.”

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About Zhejiang Expressway Co., Ltd.

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH) is an infrastructure company principally engaged in investing in, developing and operating high-grade roads. The expressway operating rights of the Company and its subsidiaries were granted by Zhejiang Provincial Government and Anhui Provincial Government for a period ranging from 25 to 30 years. In January 2021, the Company completed the acquisition of 30% equity interest in HangNing Co and 100% equity interest in LongLiLiLong Co, and in May 2021, the Company completed the acquisition of 55% equity interest in Jiaxing Zhajiasu Expressway Co., Ltd. The Company and its subsidiaries also carry out securities business. Its subsidiary Zheshang Securities Co., Ltd. has been listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).

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