



**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 2019 Annual Results**

*Adhering to the objective of “striving for excellence” and  
promoting high quality sustainable development*

**Financial Highlights**

- Revenue was Rmb11,955.27 million, representing an increase of 6.8% year-on-year
- Profit attributable to owners of the Company was Rmb3,711.12 million, representing an increase of 5.6% year-on-year
- Basic earnings per share was Rmb85.45 cents, and diluted earnings per share was Rmb82.37 cents
- A dividend of Rmb35.5 cents per share was recommended

(Hong Kong, March 20, 2020) – 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, 2019 (the “Period”).

During the Period, revenue for the Group was Rmb11,955.27 million, representing an increase of 6.8% over 2018. Profit attributable to owners of the Company was Rmb3,711.12 million, representing an increase of 5.6% year-on-year. Basic earnings per share for the Period was Rmb85.45 cents (2018 (Restated): Rmb80.94 cents), and diluted earnings per share for the Period was Rmb82.37 cents (2018 (Restated): Rmb76.27cents). The Board of Directors recommended a dividend of Rmb35.5 cents per share, subject to shareholders’ approval at the Company’s 2019 annual general meeting.

**Ms. Luo Jianhu, General Manager of the Company**, said, “2019 was a year marked by both opportunities and challenges. The Chinese economy faced a complex mix of headwinds resulting from domestic and overseas factors, however, development remained stable with steady progress. During the Period, although the growth rate of the Group’s traffic volume slowed, the securities business recorded significant growth as it benefited from the recovery of domestic capital markets. As a result, overall results performance remained stable. During the Period, the Group continued to reform and innovate in order to further strengthen its competitive advantages, ability to innovate, risk resistance capability and sustainability. In addition, we continued to improve overall service and proactively explored new opportunities for profit growth, in order to create



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greater value for our shareholders.”

**Business Review**

During the Period, in light of a slowing global economy and increasing risks, downward pressure of the overall economy remained relatively high. The growth rate of traffic volume and toll revenue of the Group’s expressways slowed due to the adverse impact of the Sino-U.S. trade war. On the other hand, revenue from Zheshang Securities recorded significant growth as supported by the pick-up of Chinese capital markets.

For the toll road operations business, the Group’s expressways recorded mixed performance as affected by various factors. During the Period, the following factors had a positive impact on the traffic volume and toll revenue of the Group’s expressways. The Yuhang District Government and the Lin’an District Government of Hangzhou City, the Yiwu Municipal Government and the Huzhou Municipal Government offered to pay the toll for all passenger vehicles that have ETC registration and are travelling on the expressways within their jurisdictions, which benefited the traffic volume growth on the Yuhang Section of the Shanghai-Hangzhou-Ningbo Expressway, the Lin’an Section of the Hanghui Expressway, the Jinhua Section of the Ningbo-Jinhua Expressway and the Huzhou Section of the Shenjiahuhang Expressway, respectively.

During the Period, a number of factors had a negative impact on the traffic volume and toll revenue of the Group’s expressways. The toll discount policies for vehicles that have ETC registration had a negative impact on toll revenue of the Group’s expressways in varying degrees. In addition, certain sections of expressways operated by the Group encountered traffic diversions caused by neighboring roadways, which included construction works, ceased toll collection and opening of roadways.

During the Period, total toll revenue from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsang Expressway, the 70km Jinhua Section of the Ningbo-Jinhua Expressway, the 122km Hanghui Expressway, the 82km Huihang Expressway, the 93km Shenjiahuhang Expressway and the 46km Zhoushan Bay Bridge was Rmb8,061.01 million, representing 67.4% of the Group’s total revenue.

In December 2019, the Group, along with five companies including China Merchants Expressway Network & Technology Holdings Co Ltd., China Merchants United Development Co., Ltd and Jiangsu Expressway Company Limited, jointly set up a consortium and entered an agreement, and successfully acquired equity stake in Turkey’s ICA project company, which represented the first international acquisition project for the



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Group's core business.

For the securities business, accumulated trading volumes of A-shares and funds in Shanghai and Shenzhen Stock markets increased by 37.1% year-on-year as it benefited from the recovery of domestic capital markets and active trading. With the exception of investment consulting business, all other business segments including securities brokerage, future brokerage, investment banking, asset management, as well as margin financing and securities lending recorded varied levels of growth in revenue. During the Period, Zheshang Securities recorded total revenue of Rmb3,300.76 million, representing an increase of 13.0% year-on-year and 27.6% of the Group's total revenue, of which, commission and fee income increased 18.1% year-on-year to Rmb1,727.94 million, and interest income from the securities business was Rmb1,572.82 million, an increase of 7.8% 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 Rmb1,343.47 million.

### Outlook

At the start of 2020, the novel coronavirus ("Covid-19") epidemic occurred in China. The Chinese government attached great importance to containing the epidemic. The government at all levels and relevant cooperatively conducted comprehensive and strict measures to ensure the smooth implementation of the containment plans. In an effort to minimize the negative impact of the Covid-19 outbreak on the Company, the Company's management has enforced strict implementation of the government's deployment and requirements regarding epidemic containment, promoted work resumption in an orderly pace and proactively promoted business development, ensuring normal operation of the toll road business and other businesses.

**Ms. Luo** concluded, "At the start of 2020, the outbreak of Covid-19 negatively impacted financial markets, the economy and people's livelihoods around the world, including China, raising significant global concerns. The Group will face near-term challenges, but with its solid core competence, we are confident that we can mitigate the negative impact that the outbreak may have on the business. Looking ahead, we will continue to enhance and expand the core toll road operations business, and optimize and strengthen the securities business. In addition, we will continue to monitor government policies and the external environment, proactively conduct market-oriented merger and acquisition investments, extend our international footprint steadily, and promote high-quality and sustainable development."



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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 2019, the Company has completed the acquisition of the Huzhou and Lianhang sections of Shenjiahuhang Expressway and the Zhoushan Bay Bridge, as well as the Zhejiang Grand Hotel. The Company also carries out securities business. Its subsidiary Zheshang Securities Co., Ltd. is listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).

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