



**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 2022 Interim Results**

*Deepening innovation and reform in the core business while  
sustainably developing the securities business*

**Financial Highlights**

- Revenue was Rmb7,028.12 million, representing a decrease of 8.7% year-on-year
- Profit attributable to owners of the Company was Rmb1,586.27million, representing a decrease of 36.9%
- Basic earnings per share was Rmb36.52 cents, and diluted earnings per share was Rmb36.52 cents

(Hong Kong, August 24, 2022) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH) today announced the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2022 (the “Period”).

During the Period, revenue for the Group was Rmb7,028.12 million, representing a decrease of 8.7% as compared to the same period in 2021. Profit attributable to owners of the Company was Rmb1,586.27 million, representing a decrease of 36.9% year-on-year. Basic earnings per share for the Period was Rmb36.52 cents, representing a year-on-year decrease of 36.9%. Diluted earnings per share for the Period was Rmb36.52 cents, representing a year-on-year decrease of 33.4%. The Directors do not recommend the payment of an interim dividend for 2022.

**Mr. Yuan Yingjie, General Manager of the Company**, said, “Due to unexpected factors such as the complex evolution of the international environment as well as the resurgence of the epidemic in certain areas of China, the downward pressure on China’s economy increased significantly in the second quarter. In response, the Chinese government efficiently coordinated epidemic prevention and control as well as economic development, while effectively implementing policies and measures to stabilize the economy. There has been continual improvement in epidemic prevention and control, and economic activities have gradually stabilized and rebounded since May. The Group continued to focus on high-quality development. During the Period, toll revenue of the Group’s expressways showed a significant year-over-year decrease due to the resurgence of the epidemic, while revenue from the securities business was generally on par with the same period last year



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despite the downward movement of the capital market.”

### **Business Review**

In the first half of 2022, the overall traffic volume and toll revenue of the Group’s expressways decreased significantly year-on-year. The performance varied among different sections of the Group’s expressways due to various factors. With the approval of the Zhejiang Provincial Government, the Jinhua City government has implemented a policy to pay the tolls for Class-1 passenger vehicles with ETC registration travelling on the Jindong Section of the Ningbo-Jinhua Expressway from March 26, 2021 to December 31, 2022, while the Deqing County government has implemented a policy to pay the tolls for local Class-1 passenger vehicles with ETC registration travelling on the expressways within Deqing County from September 1, 2021 to December 31, 2022. These policies will help the passenger vehicles traffic volume growth on the relevant sections of the Ningbo-Jinhua Expressway and the Shenjiahuhang Expressway respectively.

However, affected by the strict management and control of epidemic prevention measures, the number of passenger vehicles and inter-provincial vehicles of Shanghai-Hangzhou Expressway, Zhajiasu Expressway and Shenjiahuhang Expressway had a significant year-on-year decrease as the above expressways are located in epidemic-affected areas such as Shanghai and Jiaying. The public was less keen on travel under the epidemic and the traffic volume of Zhoushan Bay Bridge and Huihang Expressway, which formerly have large tourist flows, had a significant year-on-year decrease.

In addition, the changes in road network and ETC discount policy also had a negative impact on the traffic volume and toll revenue of the relevant expressways. The Hangzhou–Taizhou High-speed Railway opened on January 8, 2022, leading to a certain diversion of passenger vehicles on Shangsang Expressway. The Hangzhou-Shaoxing-Taizhou Expressway has been fully open to traffic since February 11, 2022, which resulted in a certain diversion of traffic volume on Shaoxing Section of the Hangzhou-Ningbo Expressway and Shangsang Expressway. The East-and-West-Route of the Hangzhou Ring Expressway was closed to semi-trailer traffic from January 28, 2021 to June 30, 2022, which had resulted in a significant decline in the traffic volume of semi-trailers on the Shanghai-Hangzhou-Ningbo Expressway and Shenjiahuhang Expressway. The discount rate of tolls to 15% for trucks from Zhejiang Province with ETC registrations has been implemented since January 1, 2022 on Zhajiasu Expressway, which has adversely affected toll revenue.

With the effective control of the epidemic and continuous resumption of work and



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production, the Group's toll road business has gradually stabilized since May 2022, and the overall traffic volume and toll revenue have shown a trend of quarter-to-quarter increase, while the year-on-year decrease has narrowed. 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 Rmb4,047.67 million.

For the securities business, Zheshang Securities has actively adjusted its business layout, effectively integrated its advantageous resources and continuously strengthened its risk management. Brokerage business, asset management business, as well as securities margin trading business maintained contrarian growth, contributing to the operating results outperforming the overall market level. During the Period, Zheshang Securities recorded total revenue of Rmb2,912.92 million, a decrease of 0.8% year-on-year, of which, commission and fee income decreased 10.2% year-on-year to Rmb1,738.08 million, and interest income from the securities business was Rmb1,174.84 million, an increase of 17.4% year-on-year. During the Period, securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income of the Group was Rmb370.6 million, a decrease of 54.4% year-on-year.

In addition, Zheshang Securities made new breakthroughs in capital operation. The mixed ownership reform plan of Zheshang Futures Co., Ltd. was completed on schedule, bringing in strategic investors by way of capital increase, raising a total of approximately Rmb1.73 billion. The successful issuance of Rmb7.0 billion convertible bonds will help supplement the working capital to further expand the business scale.

### **Outlook**

Looking ahead to the second half of 2022, the international situation is becoming more complex and severe, and the stagflation risk of the global economy is on the rise. Despite many challenges and uncertainties faced by China's economic operation, China's economic fundamentals underpinning long-term development remain unchanged. The effective implementation of policies and measures to stabilize the economy will continuously lay a solid foundation for economic recovery. It is expected that China's economy will gradually recover and maintain a stable growth in the second half of the year. Under the premise of the epidemic being under control, the overall traffic volume and toll revenue on the Group's expressways are expected to gradually stabilize.



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**Mr. Yuan** concluded, “In the face of the complex and rapidly-changing economic situation at home and abroad, the Group will continue to adhere to the principle of market-oriented and high-quality development, constantly enhance the core toll road business, and optimize the securities business. We will continue to expand the scale of the core business under the premise of risk control. Meanwhile, we will take advantage of the private REITs means and the public REITs platform to further improve assets liquidity, in order to effectively accelerate the sustainable development of the core expressway business.”

~ End ~

**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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