



浙江滬杭甬高速公路股份有限公司  
ZHEJIANG EXPRESSWAY CO., LTD.  
(Stock Code: 0576)

# *Striving For Excellence*

## 2021 Annual Results



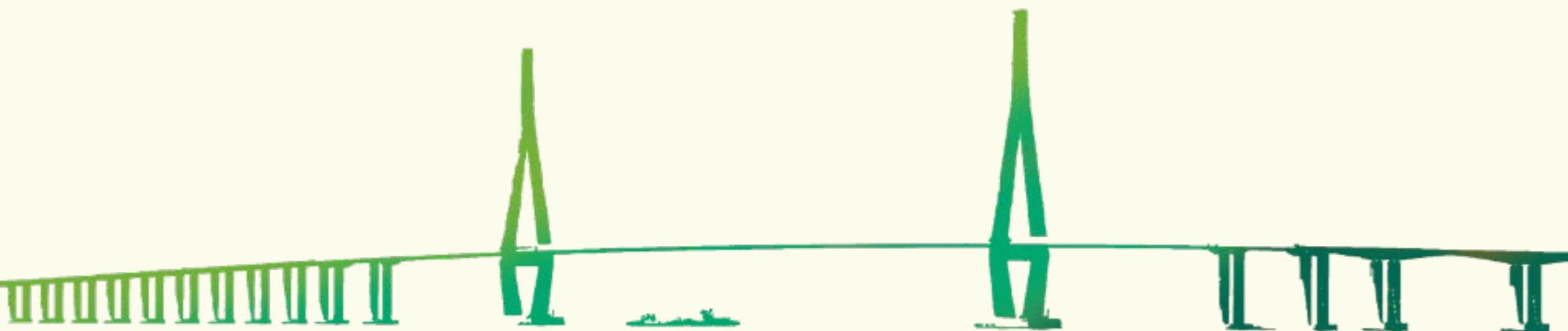


# Agenda



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

- 01 Result Highlights
- 02 Review of Operations
- 03 Outlook & Growth Strategies
- 04 Appendices







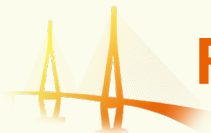
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# Result Highlights



## Results *Rmb '000*

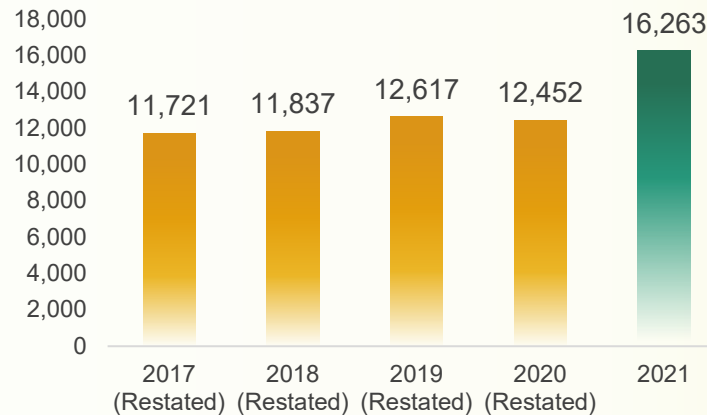
	2021	2020 (Restated)	%Change
Revenue	16,262,601	12,451,534	30.6%
- Including: Interest income under effective interest method	2,247,361	1,820,534	23.4%
Operating costs	(9,521,482)	(8,038,467)	18.4%
Gross profit	6,741,119	4,413,067	52.8%
Securities investment gains	1,835,563	1,611,873	13.9%
Other income and gains and losses	733,071	425,319	72.4%
Administrative expenses	(173,447)	(147,839)	17.3%
Other expenses	(117,363)	(191,012)	-38.6%
Impairment losses under expected credit loss model, net of reversal	65,391	(183,612)	NA
Share of profit of associates	966,075	688,029	40.4%
Share of profit of a joint venture	56,249	16,282	245.5%
Finance costs	(1,942,533)	(2,098,493)	-7.4%
Profit before tax	8,164,125	4,533,614	80.1%
Income tax expense	(1,873,961)	(1,160,027)	61.5%
Profit for the year	6,290,164	3,373,587	86.5%
- Attributable to owners of the Company	4,762,431	2,416,395	97.1%
- Attributable to non-controlling interests	1,527,733	957,192	59.6%
EPS (basic) ( <i>Rmb cents</i> )	109.65	55.64	97.1%
EPS (diluted) ( <i>Rmb cents</i> )	102.50	55.19	85.7%



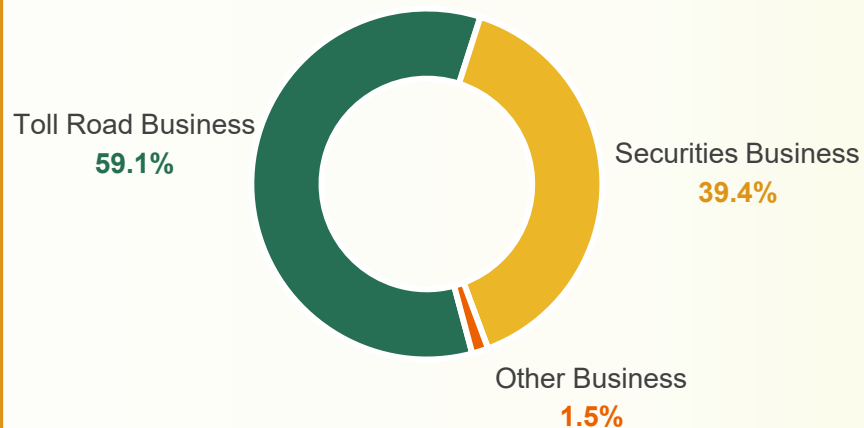
# Result Highlights – Revenue

## Revenue

Rmb million



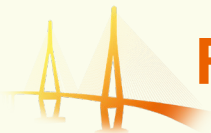
## Revenue Breakdown



**Overall revenue for the Group was Rmb16,263 million, an increase of 30.6% y-o-y**







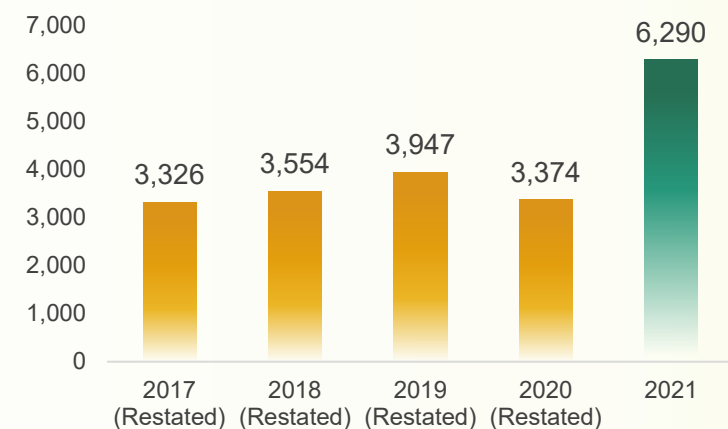
# Result Highlights – Net Profit



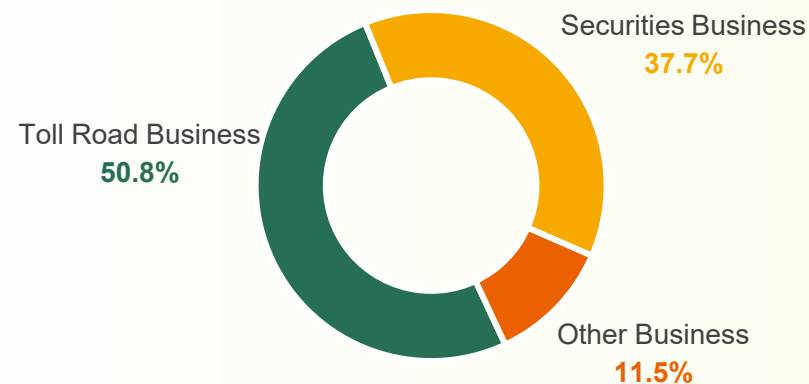
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## Net Profit

Rmb million

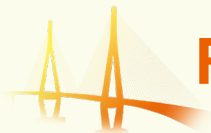


## Net Profit Breakdown



**2021 EPS (basic/diluted): Rmb109.65 cents / Rmb102.5 cents**



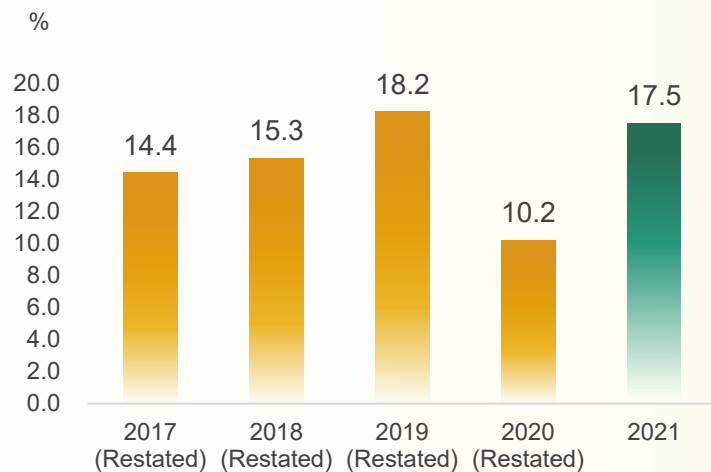


# Result Highlights – ROE & Dividend



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## ROE



## Dividend



To provide shareholders with stable return in the long run







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# Review of Operations







## Economy

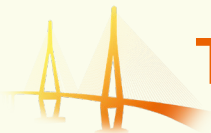
- China GDP growth: 8.1%
- Zhejiang GDP growth: 8.5%, higher than the national average, benefited from the rapid expansion of the digital economy and the accelerated growth rate of foreign trade

## 2021 Market Review



## Capital Market

- 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



## Various factors affected

### Positive factors:

- From August 6, 2020, toll discount in Zhejiang Province for Class-3 and Class-4 passenger vehicles with ETC registrations, and trucks from other provinces with ETC registrations restored from 15% to the original 5%
- Local governments in Zhejiang Province to pay the tolls for local Class-1 passenger vehicles with ETC registrations travelling on the Jiaying City Section of the Shanghai-Hangzhou Expressway from September 1, 2020 to 31 December, 2022, the Jiashan Section of the Shanghai-Hangzhou Expressway from November 10, 2020 to December 31, 2022, the Jinhua Jindong Section of the Ningbo-Jinhua Expressway from March 26, 2021 to December 31, 2022, and the expressways within Deqing County from September 1, 2021 to 31 December, 2022

### Negative factors:

- The Chinese government encouraged people to celebrate the 2021 Chinese New Year in situ to control the epidemic
- The epidemic in Zhejiang Province and the surrounding provinces and cities resurged in 2H2021
- The Shaoxing-Xinchang Section and the Taizhou Section of the Hangzhou-Shaoxing-Taizhou Expressway opened on July 10, 2020 and December 22, 2020 respectively, which negatively impacted the traffic volume on the Shangsang Expressway
- Semi-trailer trucks were forbidden to travel on the East-Route of the Hangzhou Ring Expressway from January 28, 2021 to October 30, 2022 and were offered a 60% discount travelling on the south connection of the Qianjiang Channel from February 9, 2021 and July 8, 2021, which negatively impacted the traffic volume on the Shanghai-Hangzhou-Ningbo Expressway.
- The West Parallel of the Hangzhou Ring Expressway opened on December 22, 2020 and semi-trailer trucks were forbidden to travel on the West-Route of the Hangzhou Ring Expressway from January 28, 2021 to October 30, 2022, which negatively impacted the traffic volume on the Shenjiahuhang Expressway

	Daily traffic volume (full-trip equivalent)	y-o-y change	Toll revenue (Rmb million)	y-o-y change
Shanghai-Hangzhou-Ningbo Expressway	73,924	2.5%	4,288.5	33.3%
Shangsang Expressway	33,863	-8.6%	1,225.3	27.6%
Ningbo-Jinhua Expressway (Jinhua Section)	30,894	6.6%	542.1	42.3%
Hanghui Expressway	24,161	4.0%	641.4	42.5%
Huihang Expressway	9,290	10.2%	151.3	50.1%
Shenjiahuhang Expressway	34,526	4.8%	777.9	40.1%
Zhoushan Bay Bridge	22,183	6.2%	933.9	30.5%
LongLiLiLong Expressways	14,076	8.9%	718.3	41.2%
Zhajiasu Expressway	37,910	2.2%	328.5	NA

**Revenue from toll operation increased 39.5% to Rmb9,607 million**

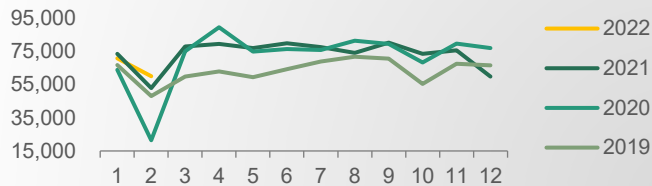
# Toll Road Business

## – Daily Traffic Volume

2.5% ↑

### Shanghai-Hangzhou-Ningbo Expressway

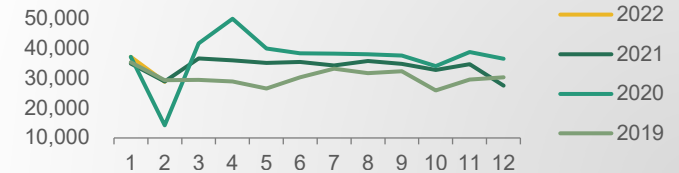
Average Full-trip Equivalents/day: **73,924**



8.6% ↓

### Shangsang Expressway

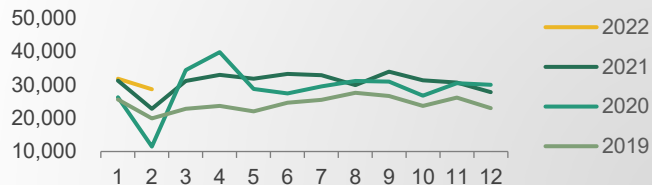
Average Full-trip Equivalents/day: **33,863**



6.6% ↑

### Ningbo-Jinhua Expressway (Jinhua Section)

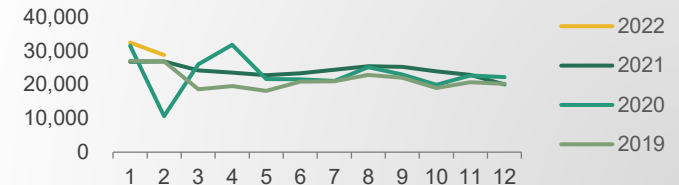
Average Full-trip Equivalents/day: **30,894**



4.0% ↑

### Hanghui Expressway

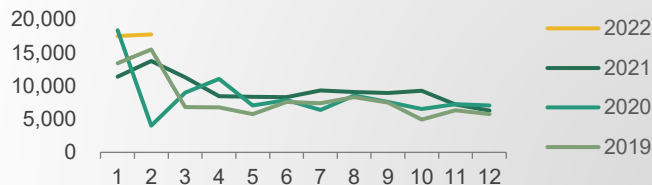
Average Full-trip Equivalents/day: **24,161**



10.2% ↑

### Huihang Expressway

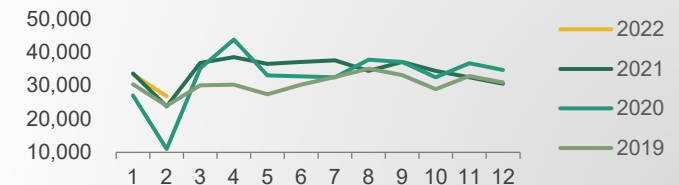
Average Full-trip Equivalents/day: **9,290**



4.8% ↑

### Shenjiahuhang Expressway

Average Full-trip Equivalents/day: **34,526**





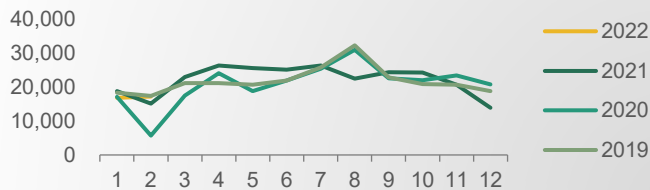
# Toll Road Business

## – Daily Traffic Volume (Cont.)

6.2% ↑

### Zhoushan Bay Bridge

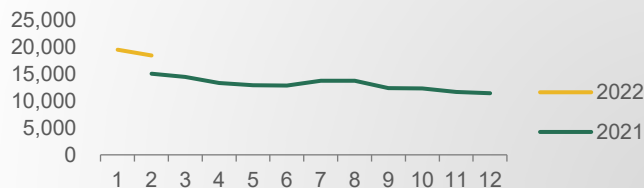
Average Full-trip Equivalents/day: **22,183**



8.9% ↑

### LongLiLiLong Expressways

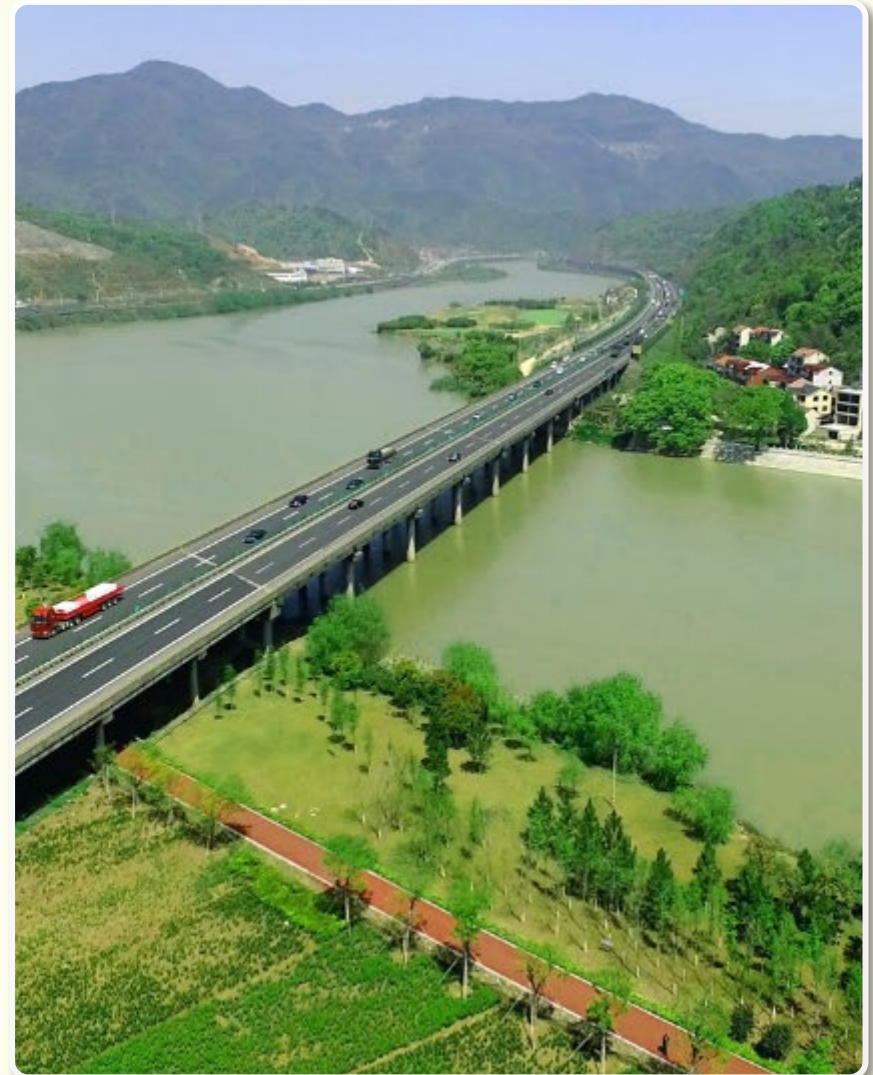
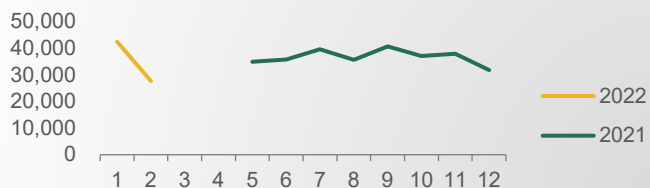
Average Full-trip Equivalents/day: **14,076**

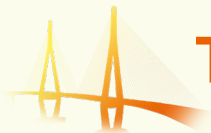


2.2% ↑

### Zhajiasu Expressway

Average Full-trip Equivalents/day: **37,910**





- In May 2021, the Group successfully acquired a 55% controlling stake in Jiaying Zhajiasu Expressway Co. Ltd., increasing its controlling mileage by 50 km and expanding the scale of its core expressway business

## Investment

## Financing

- In June 2021, the Hanghui Expressway public REITs was successfully listed on the Shanghai Stock Exchange, which was conducive to revitalizing the stock assets and innovating financing model
- The successful issuance of 230 million Euro convertible bonds and 470 million USD bonds fully leveraged the functions of the listing platform and continuously expanded its financing channels in the capital market





- Zhesang Securities 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
- The brokerage business and securities margin trading business grew significantly, while the investment banking business maintained a sound development momentum

(Rmb million)	2021	2020	%Change
Commission & fee income	4,155.7	3,266.8	27.2%
Interest income	2,247.4	1,820.5	23.4%
Securities investment gains	1,835.6	1,483.0	23.8%



**Revenue from securities business increased 25.9% to Rmb6,403 million**





## Hotel Operations Revenue

- Zhejiang Grand Hotel: Rmb45.4 million
- Grand New Century Hotel: Rmb68.1 million

## Zhejiang Shaoxing Shengxin Expressway Co., Ltd.

### Joint Venture

- Daily traffic volume: increased 1.40% y-o-y to 27,102 in full-trip equivalents
- Toll revenue: Rmb504.5 million
- Net profit: Rmb112.5 million

50%

## Zhejiang Communications Investment Group Finance Co., Ltd.

### Associate

- Derives income mainly from interest, fees and commissions for providing financial services
- Net profit: Rmb890.3 million

20.08%

## Shanghai Rural Commercial Bank Co., Ltd.

### Associate

- Listed on the Shanghai Stock Exchange on August 19, 2021
- This associate has not announced its 2021 annual results.

4.85%

## Zhejiang HangNing Expressway Co., Ltd.

### Associate

- Operates the 99km HangNing Expressway
- Net profit (from February to December 2021): Rmb188.9 million

30%

## Yangtze United Financial Leasing Co., Ltd.

### Associate

- Primarily engaged in finance leasing, transferring and receiving financial leasing assets, fixed-income securities investment businesses, and other businesses approved by the CBRC
- Net profit: Rmb440.1 million

10.61%

## Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership)

### Associate

- Primarily engaged in equity investments, investment management and investment consultation
- Net profit attributable to the Company: Rmb178.4 million

24.99%



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# Outlook & Growth Strategies







## Zhejiang Expressway

- Zhejiang Province will actively implement policies, which should help create a favorable environment for the development of the Group's relevant businesses
- Under the premise of controlled epidemic, the overall traffic volume on the Group's expressways is expected to achieve stable growth in 2022



## Market situation

- The negative impact of the epidemic on the global economy is expected to diminish continuously, but the global economic recovery is still facing uncertainties caused by virus variants and epidemic resurgence
- 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

**The Chinese economy is expected to achieve stable growth**



## Expand core toll road operations business

- Accelerate the construction of the intelligent Shanghai-Hangzhou-Ningbo Expressway (Phase II)
- Optimize the comprehensive road environment, improve the capability of branding operation and study differentiated toll collection
- Expand low-cost financing channels
- Plan to invest approximately RMB1.2 billion to add and expand service areas along some of the expressways, which will help optimize the layout of expressway service areas, improve the service functions and facilities, enhance the overall image of the service areas, and attract new traffic volume. However, due to factors such as land acquisition, the exact amount of investment and project progress will be subject to the actual situation



## Strengthen securities business

- Grasp the opportunities of capital market reform and development, adapt to the profound changes in the industry brought by the registration-based IPO system reform
- Focus on pushing forward the issuance of convertible bonds and exploring innovative equity financing methods
- Push for the mixed ownership reform of Zheshang Futures Co., Ltd.
- Facilitate the coordinated development of various business segments



## Seek suitable investment

- 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 core business
- Leverage the Group's brand and experience advantages in transportation infrastructure REITs and increase research efforts on transportation-related infrastructure projects

**Accelerate high-quality and sustainable development**



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Q&A







浙江滬杭甬高速公路股份有限公司  
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# Appendices

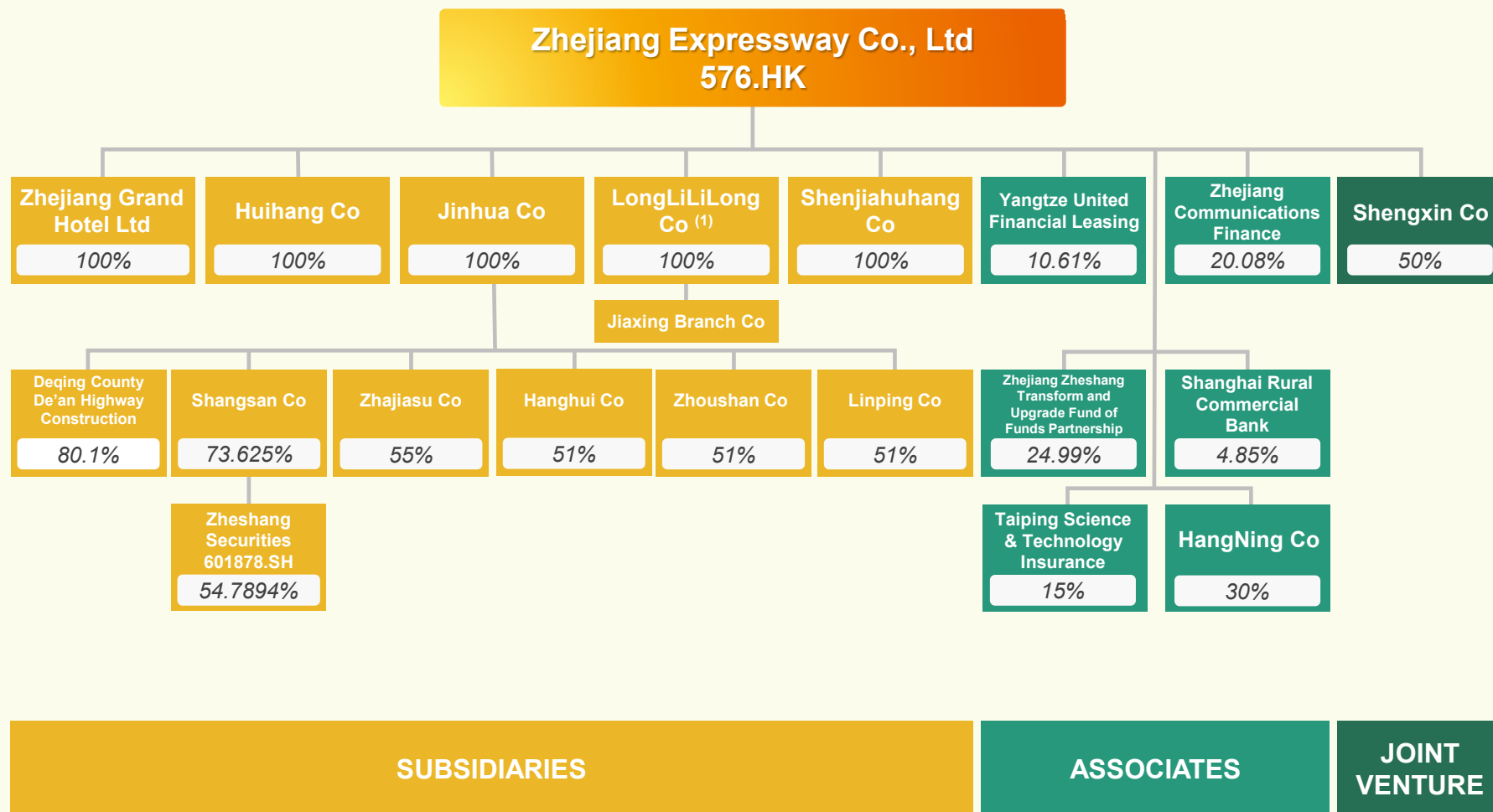


## – Statement of Financial Position

<i>(Rmb million) As at the end of the year</i>	2021	2020 (Restated)	%Change
Bank balances, clearing settlement fund, deposits and cash	17,700	8,983	97.0%
Financial assets at fair value through profit or loss	45,810	29,402	55.8%
Total assets	176,297	135,447	30.2%
Total liabilities	131,874	98,501	33.9%
Total debt	118,334	85,719	38.0%
Debt to equity (%)	266.4%	232.0%	14.8%
Total liabilities to total assets (%)	74.8%	72.7%	2.1 pts

## – Organization Chart

As of 24 March 2022



Note: 1. On January 20, 2022, changing in the industrial and commercial registration for the absorption and merger of Zhejiang Jiaxing Expressway Co. Ltd. ("Jiaxing Company") by LongLiLiLong Company was completed and the principal assets and business of Jiaxing Company were transferred to the "Jiaxing Branch of Zhejiang LongLiLiLong Expressway Co. Ltd." for the continuation of the company.



## – Expressway Map of Zhejiang Province

