



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 Interim Results

*Scale of core toll road business expanded steadily while
competitiveness of securities business further improved*

Financial Highlights

- Revenue was Rmb7,696.57 million, representing an increase of 87.6% year-on-year
- Profit attributable to owners of the Company was Rmb2,513.68 million, representing an increase of 865.4% year-on-year
- Basic earnings per share was Rmb57.88 cents, and diluted earnings per share was Rmb54.81 cents

(Hong Kong, August 19, 2021) – 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, 2021 (the “Period”).

During the Period, revenue for the Group was Rmb7,696.57 million, representing a year-on-year increase of 87.6%. Profit attributable to owners of the Company was Rmb2,513.68 million, representing a year-on-year increase of 865.4%. Basic earnings per share for the Period was Rmb57.88 cents, representing a year-on-year increase of 865.4%. Diluted earnings per share for the Period was Rmb54.81 cents, representing a year-on-year increase of 813.5%.

Mr. Yuan Yingjie, General Manager of the Company, said, “In the first half of 2021, the global novel coronavirus (“Covid-19”) epidemic eased and economies gradually recovered as pace of vaccination accelerated. However, the unbalanced distribution of vaccines and the resurgence of the epidemic in some regions created divergences in the global recovery. In China, the government continued to successfully contain the epidemic and support economic and social development. As a result, the Chinese economy showed a steady recovery with a solid and sound growth momentum. During the Period, we leveraged the advantages of our resources to solidly pursue key development projects. Toll revenue of the Group’s expressways recorded significant year-over-year growth due to the low base in the same period in 2020. Revenue from the securities business recorded stable growth, benefiting from the positive momentum in the domestic capital markets.”



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Business Review

In the first half of 2021, toll revenue of the Group's expressways recorded significant growth, mainly due to the low base of comparison because of the Covid-19 epidemic and subsequent toll-free policy in the same period of 2020. For the securities business, the domestic capital markets maintained a solid development momentum, with the trading volumes of equities and funds both increasing year-on-year, driving Zheshang Securities' favorable results.

For the toll road business, the traffic volume on the Group's expressways maintained solid growth due to the following positive factors. In particular, the Zhejiang Government approved requests by local governments offering to pay tolls for small passenger vehicles with ETC registrations to be extended to December 31, 2022, which benefited the growth in traffic volume on certain sections of the Group's expressways. Meanwhile, the Ningbo-Jinhua Expressway and the Zhoushan Bay Bridge benefited from the development of foreign trade in nearby regions, and the Huzhou Section of Shenjiahuhang Expressway benefited from the cancellation of traffic control for HangNing Expressway due to its completion of a widening project. As a result, truck traffic on these expressways increased significantly.

During the Period, the following factors had a negative impact on the traffic volume and toll revenue on the Group's expressways. In particular, during the 2021 Spring Festival, the Chinese government encouraged people to celebrate the festival in situ in an effort to control the epidemic. As a result, the growth in traffic volume slowed on certain sections of the Group's expressway, which normally experienced heavy traffic during the holiday. Furthermore, semi-trailer trucks were forbidden to travel on the Hangzhou Ring Expressway and the differentiated expressway toll policy was implemented for the Qianjiang Tunnel, all of which caused relatively slow growth in traffic volume of semi-trailer truck on the Shanghai-Hangzhou-Ningbo Expressway. In addition, certain sections of the Group's expressways were impacted by traffic diversions from neighboring road networks.

In the first half of 2021, the Group's core toll road business maintained robust development. The successful acquisition of a 55% controlling interest in Jiaxing Zhajiasu Expressway Co., Ltd. in May, 2021 further expanded the scale of the Group's core business. In June 2021, the Hanghui Expressway public REITs was successfully listed on the Shanghai Stock Exchange, which should improve assets liquidity and expand financing options.

During the Period, total toll revenue from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 141km Shangsang Expressway, the 70km Jinhua Section of the Ningbo-



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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 Rmb4,660.04 million, representing an increase of 141.7% year-on-year and 60.5% of the Group's total revenue.

For the securities business, Zheshang Securities took advantage of market opportunities to optimize the use of capital, strengthen expense management and improve its core competencies. During the Period, Zheshang Securities recorded favorable results, among which, brokerage, investment banking, as well as securities margin trading were the major driving forces for growth. Zheshang Securities recorded total revenue of Rmb2,937.12 million, representing an increase of 40.4% year-on-year and 38.2% of the Group's total revenue, of which, commission and fee income increased 49.5% year-on-year to Rmb1,936.34 million, and interest income from the securities business was Rmb1,000.79 million, an increase of 25.6% 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 Rmb812.37 million, a decrease of 21.5% year-on-year.

Outlook

For the second half of 2021, the global economy is expected to continue recovering. However, the epidemic is constantly evolving. In face of such a challenging and complicated external environment, the Chinese government will continue to deepen structural supply side reforms, focus on unleashing potential domestic demand, and optimize the business environment for core markets, which should help the domestic economy to maintain a stable recovery. The Group will maintain focus on its core business and strive to build a renowned brand for expressway operations and services in China. The growth in overall traffic volume and toll revenue on the Group's expressways are expected to remain stable in the second half of 2021. Meanwhile, Zheshang Securities will take advantage of market opportunities and enhance the synergies and coordination between its business segments to optimize and adjust its business structure.

Mr. Yuan concluded, "Amid the complex and rapidly-changing economic situation at home and abroad, the Group will leverage the advantages of its resources, constantly enhance the core toll road business, and optimize the securities business. We will actively study the dynamics of the current industry development, seize investment opportunities for high quality transport infrastructure resources, and expand the scale of its core business through multiple channels and multiple models. Meanwhile, we will seek innovative capital funding models, and actively explore expansion opportunities into related industries while



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managing risk in order to accelerate 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 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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