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**浙江滬杭甬高速公路股份有限公司**

**ZHEJIANG EXPRESSWAY CO., LTD.**

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 0576)

## 2021 THIRD QUARTERLY RESULTS ANNOUNCEMENT

The directors (the “**Directors**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) are pleased to announce the third quarterly results of the Company and its subsidiaries (the “**Group**”) for the nine months ended September 30, 2021 (the “**Period**”).

The audit committee of the Company has reviewed the quarterly results of the Group for the Period. Set out below are the Group’s unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of financial position and unaudited condensed consolidated statement of cash flows for the Period together with the comparative figures for the corresponding period of 2020:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<b>For the nine months ended</b>	
	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<i>Rmb’000</i>	<i>Rmb’000</i>
	<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
Revenue	<b>12,096,211</b>	8,233,591
Including: interest income under effective interest method	<b>1,560,683</b>	1,288,292
Operating costs	<b>(6,943,450)</b>	(5,782,452)
Gross profit	<b>5,152,761</b>	2,451,139
Securities investment gains	<b>1,446,057</b>	1,244,191
Other income and gains and losses	<b>634,965</b>	447,700
Administrative expenses	<b>(95,462)</b>	(71,901)
Other expenses	<b>(92,960)</b>	(98,986)
Impairment losses under expected credit loss model, net of reversal	<b>61,712</b>	(89,481)
Share of profit of associates	<b>879,874</b>	552,281
Share of profit (loss) of a joint venture	<b>50,563</b>	(2,497)
Finance costs	<b>(1,484,081)</b>	(1,649,843)
Profit before tax	<b>6,553,429</b>	2,782,603
Income tax expense	<b>(1,436,161)</b>	(734,265)
Profit for the Period	<b>5,117,268</b>	2,048,338

	<b>For the nine months ended</b>	
	<b>September 30,</b>	
	<b>2021</b>	2020
	<i>Rmb'000</i>	<i>Rmb'000</i>
	<b>(Unaudited)</b>	(Unaudited and restated)
	<u>                    </u>	<u>                    </u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	(1,247)	(1,103)
Share of other comprehensive income of an associate, net of related income tax	<b>31,567</b>	–
	<u>                    </u>	<u>                    </u>
Other comprehensive income (loss) for the Period, net of income tax	<b>30,320</b>	(1,103)
	<u>                    </u>	<u>                    </u>
Total comprehensive income for the Period	<b>5,147,588</b>	2,047,235
	<u>                    </u>	<u>                    </u>
Profit for the Period attributable to:		
Owners of the Company	<b>3,973,502</b>	1,485,277
Non-controlling interests	<b>1,143,766</b>	563,061
	<u>                    </u>	<u>                    </u>
	<b>5,117,268</b>	2,048,338
	<u>                    </u>	<u>                    </u>
Total comprehensive income attributable to:		
Owners of the Company	<b>4,004,500</b>	1,484,799
Non-controlling interests	<b>1,143,088</b>	562,436
	<u>                    </u>	<u>                    </u>
	<b>5,147,588</b>	2,047,235
	<u>                    </u>	<u>                    </u>
Earnings per share		
Basic (Rmb cents)	<b>91.49</b>	34.20
	<u>                    </u>	<u>                    </u>
Diluted (Rmb cents)	<b>85.24</b>	34.20
	<u>                    </u>	<u>                    </u>

*Note:* The Company entered into an equity purchase agreement with Zhejiang Communications Investment Group Co., Ltd, to acquire 100% equity interest in Zhejiang Longlililong Co., Ltd with Rmb238,140,000, the acquisition was completed in January 2021. Therefore, in accordance with the guidance set out in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants, the comparative condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the nine months ended September 30, 2020 and the condensed consolidated statement of financial position as at December 31, 2020 have been restated.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at <b>September 30,</b> <b>2021</b> <i>Rmb'000</i>  <b>(Unaudited)</b>	As at December 31, 2020 <i>Rmb'000</i> (Unaudited and restated)
Non-current assets	<b>46,129,983</b>	44,032,701
Current assets	<b>128,184,211</b>	91,652,152
Current liabilities	<b>98,702,703</b>	72,989,123
Net current assets	<b>29,481,508</b>	18,663,029
Total assets less current liabilities	<b>75,611,491</b>	62,695,730
Non-current liabilities	<b>32,369,669</b>	25,511,581
	<b>43,241,822</b>	37,184,149
Capital and reserves		
Share capital	<b>4,343,115</b>	4,343,115
Reserves	<b>22,007,775</b>	19,505,281
Equity attributable to owners of the Company	<b>26,350,890</b>	23,848,396
Non-controlling interests	<b>16,890,932</b>	13,335,753
	<b>43,241,822</b>	37,184,149

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended	
	September 30,	
	2021	2020
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited and restated)
Net cash generated from (used in) operating activities	2,279,044	(1,352,068)
Net cash used in investing activities	(951,649)	(867,493)
Net cash generated from financing activities	6,036,860	3,939,239
Net increase in cash and cash equivalents	7,364,255	1,719,678
Cash and cash equivalents at beginning of the Period	8,645,085	8,090,694
Effect of foreign exchange rate changes	(1,247)	(1,103)
Cash and cash equivalents at end of the Period	<u>16,008,093</u>	<u>9,809,269</u>

On behalf of the Board  
**Zhejiang Expressway Co., Ltd.**  
**YU Zhihong**  
*Chairman*

Hangzhou, the PRC, October 29, 2021

*As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive directors of the Company are: Mr. CHEN Ninghui and Mr. YUAN Yingjie; the non-executive directors of the Company are: Mr. JIN Chaoyang, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.*