

Hong Kong Stock Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2022 INTERIM RESULTS ANNOUNCEMENT

The directors (the “Directors”) of Zhejiang Expressway Co., Ltd. (the “Company”) announced the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2022 (the “Period”), with the basis of preparation as stated in note 1 to the condensed consolidated financial statements set out below.

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 year-on-year decrease of 36.9%. 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.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2022 have not been audited or reviewed by the auditors of the Company, but have been reviewed by the audit committee of the Company. Set out below are the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the Period and condensed consolidated statement of financial position as at June 30, 2022, with comparative figures for the corresponding period in 2021 and relevant notes to the condensed consolidated financial statements:

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

		For the six months ended June 30,	
		2022	2021
	<i>Notes</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenue	3	7,028,121	7,696,565
Including: Interest income under effective interest method		1,174,844	1,000,786
Operating costs		(4,216,527)	(4,308,196)
Gross profit		2,811,594	3,388,369
Securities investment gains		370,616	807,624
Other income and gains and losses	4	41,642	424,707
Administrative expenses		(58,800)	(53,725)
Other expenses		(22,966)	(58,694)
Impairment losses under expected credit loss model, net of reversal		(3,861)	4,371
Share of profit of associates		408,580	510,160
Share of profit of a joint venture		19,573	36,601
Finance costs		(904,990)	(993,060)
Profit before tax		2,661,388	4,066,353
Income tax expense	5	(614,158)	(904,474)
Profit for the Period		2,047,230	3,161,879
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of foreign operations		10,863	(1,541)
Share of other comprehensive (loss) income of an associate, net of related income tax		(272)	6,529
Other comprehensive income for the Period, net of income tax		10,591	4,988
Total comprehensive income for the Period		2,057,821	3,166,867

		For the six months ended June 30,	
		2022	2021
	<i>Notes</i>	Rmb'000	<i>Rmb'000</i>
		(Unaudited)	(Unaudited)
Profit for the Period attributable to:			
Owners of the Company		1,586,274	2,513,676
Non-controlling interests		460,956	648,203
		<u>2,047,230</u>	<u>3,161,879</u>
Total comprehensive income attributable to:			
Owners of the Company		1,590,315	2,519,518
Non-controlling interests		467,506	647,349
		<u>2,057,821</u>	<u>3,166,867</u>
Earnings per share			
Basic (Rmb cents)	6	<u>36.52</u>	<u>57.88</u>
Diluted (Rmb cents)		<u>36.52</u>	<u>54.81</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at June 30, 2022	As at December 31, 2021
<i>Notes</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	4,807,315	5,019,619
Right-of-use assets	631,424	666,686
Expressway operating rights	24,733,809	26,053,256
Goodwill	86,867	86,867
Other intangible assets	283,657	303,350
Interests in associates	9,929,084	9,675,046
Interest in a joint venture	410,147	440,574
Financial assets at fair value through profit or loss (“FVTPL”)	262,266	363,878
Other receivables	1,097,221	1,216,289
Financial assets held under resale agreements	–	10,000
Deferred tax assets	1,700,417	1,617,799
	43,942,207	45,453,364
CURRENT ASSETS		
Inventories	552,799	371,714
Trade receivables	618,237	467,892
Loans to customers arising from margin financing business	18,018,623	19,394,130
Other receivables and prepayments	2,016,897	1,379,105
Dividends receivable	–	128
Derivative financial assets	830,184	613,718
Financial assets at FVTPL	39,432,793	45,445,711
Financial assets held under resale agreements	6,955,692	7,078,206
Bank balances and clearing settlement fund held on behalf of customers	40,693,506	38,392,804
Bank balances, clearing settlement fund, deposits and cash		
– Restricted bank balances and cash	80,649	132,090
– Time deposits with original maturity over three months	302,627	413,843
– Cash and cash equivalents	23,227,639	17,153,977
	132,729,646	130,843,318

		As at June 30, 2022	As at December 31, 2021
	<i>Notes</i>	<i>Rmb'000</i> (Unaudited)	<i>Rmb'000</i> (Audited)
CURRENT LIABILITIES			
Placements from other financial institutions		1,780,000	500,000
Accounts payable to customers arising from securities business		40,323,370	38,069,350
Trade payables	8	1,347,278	1,387,533
Tax liabilities		584,933	1,305,228
Other taxes payable		287,182	916,269
Other payables and accruals		6,334,209	5,872,066
Contract liabilities		276,901	204,214
Dividends payable		1,728,929	–
Derivative financial liabilities		760,317	451,368
Bank and other borrowings		3,468,492	2,316,307
Short-term financing note payable		1,983,050	7,940,702
Bonds payable		8,418,663	10,455,661
Convertible bonds	9	295	–
Financial assets sold under repurchase agreements		19,633,599	25,250,426
Financial liabilities at FVTPL		2,918,141	2,925,391
Lease liabilities		140,704	105,699
		89,986,063	97,700,214
NET CURRENT ASSETS		42,743,583	33,143,104
TOTAL ASSETS LESS CURRENT LIABILITIES		86,685,790	78,596,468
NON-CURRENT LIABILITIES			
Bank and other borrowings		16,625,194	14,427,610
Bonds payable		18,750,374	17,193,430
Convertible bonds	9	4,652,079	1,714,662
Deferred tax liabilities		472,291	477,525
Lease liabilities		305,611	360,216
		40,805,549	34,173,443
		45,880,241	44,423,025
CAPITAL AND RESERVES			
Share capital		4,343,115	4,343,115
Reserves		22,884,584	22,807,227
Equity attributable to owners of the Company		27,227,699	27,150,342
Non-controlling interests		18,652,542	17,272,683
		45,880,241	44,423,025

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2022 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended June 30, 2022 (Unaudited)

	Toll road operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Revenue – external customers	<u>4,047,666</u>	<u>2,912,920</u>	<u>67,535</u>	<u>7,028,121</u>
Segment profit	<u>929,353</u>	<u>744,564</u>	<u>373,313</u>	<u>2,047,230</u>

For the six months ended June 30, 2021 (Unaudited)

	Toll road operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Revenue – external customers	<u>4,660,042</u>	<u>2,937,124</u>	<u>99,399</u>	<u>7,696,565</u>
Segment profit	<u>1,837,145</u>	<u>907,715</u>	<u>417,019</u>	<u>3,161,879</u>

Segment profit represents the profit after tax of each operating segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Revenue from major services

An analysis of the Group's revenue, net of discounts and taxes, for the Period is as follows:

	For the six months ended June 30,	
	2022	2021
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
Toll road operation revenue	4,047,666	4,660,042
Commission and fee income from securities operation	1,738,076	1,936,338
Interest income from securities operation	1,174,844	1,000,786
Hotel and catering revenue	36,908	59,671
PPP revenue	30,627	39,728
Total	<u>7,028,121</u>	<u>7,696,565</u>

4. OTHER INCOME AND GAINS AND LOSSES

	For the six months ended June 30,	
	2022	2021
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
Interest income on financial institutions	70,353	49,671
Rental income	40,698	44,002
(Loss) gain on change in fair value in respect of the derivative component of convertible bonds	(98,548)	11,164
Exchange (loss) gain, net	(43,325)	122,011
(Loss) gain on commodity trading, net	(18,330)	24,389
Management fee income	6,655	4,513
Subsidies	53,724	99,077
Others	30,415	69,880
Total	<u>41,642</u>	<u>424,707</u>

5. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2022	2021
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax (“EIT”)	702,010	1,150,805
Deferred tax	(87,852)	(246,331)
	<u>614,158</u>	<u>904,474</u>

Under the Law of the PRC on EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No Hong Kong Profits Tax has been provided as the Group has no estimated assessable profit in Hong Kong during the Period.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	For the six months ended June 30,	
	2022	2021
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
Profit for the Period attributable to owners of the Company	1,586,274	2,513,676
Earnings for the purpose of basic earnings per share	1,586,274	2,513,676
Effect of dilutive potential ordinary shares arising from convertible bonds	99,593	(8,947)
Earnings for the purpose of diluted earnings per share	1,685,867	2,504,729

Number of shares:

	For the six months ended June 30,	
	2022	2021
	<i>'000</i>	<i>'000</i>
	(Unaudited)	(Unaudited)
Number of ordinary shares for the purpose of basic earnings per share	4,343,115	4,343,115
Effect of dilutive potential ordinary shares arising from convertible bonds	263,021	226,766
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,606,136	4,569,881

For the six months ended June 30, 2022, the computation of diluted earnings per share does not assume the conversion of outstanding convertible bonds issued by the Company and Zheshang Securities Co., Ltd (“Zheshang Securities”), since their exercise would result in an increase in earnings per share.

7. TRADE RECEIVABLES

	As at June 30, 2022 <i>Rmb'000</i> (Unaudited)	As at December 31, 2021 <i>Rmb'000</i> (Audited)
Trade receivables comprise:		
– contracts with customers	623,182	473,691
Less: Allowance for credit losses	(4,945)	(5,799)
	618,237	467,892
Trade receivables (before allowance for credit losses) comprise:		
Fellow subsidiaries	8,258	19,996
Third parties	614,924	453,695
Total trade receivables	623,182	473,691

The Group has no credit period granted to its trade customers of toll road operation business. The Group's trade receivable balance for toll road operation is toll receivables from the respective expressway fee settlement centres of Zhejiang Province and Anhui Province, Transportation Bureau of Linping County of Hangzhou, Transportation Bureau of Yiwu, Transportation Bureau of Linan of Hangzhou, Transportation Bureau of Huzhou, Transportation Bureau of Jiaxing, which are normally settled within 3 months. All of these trade receivables were not past due in both periods.

In respect of the Group's asset management service, security commission and financial advisory service operated by Zheshang Securities, trading limits are set for customers. The Group seeks to maintain tight control over its outstanding trade receivables in order to minimise credit risk. Overdue balances are regularly monitored by the management.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	As at June 30, 2022 Rmb'000 (Unaudited)	As at December 31, 2021 Rmb'000 (Audited)
Within 3 months	477,355	335,308
3 months to 1 year	131,403	121,753
1 to 2 years	5,612	7,554
Over 2 years	3,867	3,277
Total	618,237	467,892

8. TRADE PAYABLES

Trade payables mainly represent the payables for the expressway improvement projects and construction of high grade road. The following is an aged analysis of trade payables presented based on the invoice date:

	As at June 30, 2022 Rmb'000 (Unaudited)	As at December 31, 2021 Rmb'000 (Audited)
Within 3 months	401,556	875,632
3 months to 1 year	472,799	114,352
1 to 2 years	167,206	87,079
2 to 3 years	85,890	62,461
Over 3 years	219,827	248,009
Total	1,347,278	1,387,533

9. CONVERTIBLE BONDS

Convertible Bond 2021

On January 20, 2021, the Company issued a zero coupon convertible bond due 2026 in an aggregate principal amount of Euro230,000,000 (the “Convertible Bond 2021”). The Convertible Bond 2021 is listed on the Stock Exchange.

The principal terms of the Convertible Bond 2021 are set out below:

(1) *Conversion right*

The Convertible Bond 2021 will, at the option of the holder (the “Bondholders 2021”), be convertible (unless previously redeemed, converted or purchased and cancelled) on or after March 2, 2021 up to January 10, 2026 into fully paid ordinary shares with a par value of Rmb1.00 each at an initial conversion price (the “Conversion Price 2021”) of HK\$8.83 per H share and a fixed exchange rate of HK\$9.5145 to Euro1.00 (the “Fixed Exchange Rate”). The Conversion Price 2021 is subject to the anti-dilutive adjustments and certain events including mainly: share consolidation, subdivision or re-classification, capitalisation of profits or reserves, capital distributions, rights issues of shares or options over shares, rights issues of other securities and issues at less than current market price. As at June 30, 2022, the conversion price was HK\$8.32 per H share.

(2) *Redemption*

(i) *Redemption at maturity*

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Convertible Bond 2021 at 100 percent of its outstanding principal amount on the maturity date of January 20, 2026 (the “CB Maturity Date 2021”).

(ii) *Redemption at the option of the Company*

The Company may, having given not less than 30 nor more than 60 days’ notice, redeem the Convertible Bond 2021 in whole and not some only at 100 percent of their outstanding principal amount as at the relevant redemption date.

- (a) at any time after January 20, 2024 but prior to the CB Maturity Date 2021, provided that no such redemption may be made unless the closing price of an H share translated into Euro at the prevailing rate applicable to each Stock Exchange business day, for any 20 Stock Exchange business days within a period of 30 consecutive Stock Exchange business days, the last of such Stock Exchange business day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 Stock Exchange business days, at least 130 percent of the Conversion Price 2021 (translated into Euro at the Fixed Exchange Rate); or
- (b) if at any time the aggregate principal amount of the Convertible Bond 2021 outstanding is less than 10 percent of the aggregate principal amount originally issued.

(iii) *Redemption at the option of the Bondholders 2021*

The Company will, at the option of the Bondholders 2021, redeem whole or some of that holder's bond on January 20, 2024 (the "Put Option Date") at 100 percent of their outstanding principal amount on that date.

The Convertible Bond 2021 comprises two components:

- (a) Debt component was initially measured at fair value amounted to approximately Euro183,297,000 (equivalent to Rmb1,443,009,000). It is subsequently measured at amortised cost by applying effective interest rate method after considering the effect of the transaction costs. The effective interest rate used is 4.74%.
- (b) Derivative component comprises conversion right of the Bondholders 2021, redemption option of the Company, and redemption option of the Bondholders 2021.

Transaction costs totalling Rmb8,427,515 that relate to the issue of the Convertible Bond 2021 are allocated to the debt and derivative components in proportion to their respective fair values.

Transaction costs amounting to approximately Rmb1,711,247 relating to the derivative component were charged to profit or loss during the year ended December 31, 2021. Transaction costs amounting to approximately Rmb6,716,268 relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the Convertible Bond 2021 using the effective interest method.

The derivative component was measured at fair value with reference to valuation carried out by a firm of independent professional valuers.

The movement of the debt and derivative components of the Convertible Bond 2021 as of June 30, 2022 is set out as below:

	Debt component at amortised cost		Derivative components at FVTPL		Total	
	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>
Issuance on January 20, 2021	183,297	1,443,009	46,703	367,666	230,000	1,810,675
Issue cost	(853)	(6,716)	-	-	(853)	(6,716)
Exchange realignment	-	(119,100)	-	-	-	(119,100)
Interest charge	7,930	57,252	-	-	7,930	57,252
Gain on changes in fair value	-	-	421	(27,449)	421	(27,449)
On December 31, 2021 (Audited)	<u>190,374</u>	<u>1,374,445</u>	<u>47,124</u>	<u>340,217</u>	<u>237,498</u>	<u>1,714,662</u>
Exchange realignment	-	(38,550)	-	-	-	(38,550)
Interest charge	4,514	29,957	-	-	4,514	29,957
Loss on change in fair value	-	-	15,482	98,548	15,482	98,548
On June 30, 2022 (Unaudited)	<u>194,888</u>	<u>1,365,852</u>	<u>62,606</u>	<u>438,765</u>	<u>257,494</u>	<u>1,804,617</u>

No conversion or redemption of the Convertible Bond 2021 has occurred up to June 30, 2022.

Convertible Bond 2022

On June 14, 2022, Zheshang Securities, a subsidiary of the Company, issued a convertible bond due June 13, 2028 (the “Maturity Date 2022”) in an aggregate principal amount of Rmb7,000,000,000 (the “Convertible Bond 2022”). The Convertible Bond 2022 was listed on the Shanghai Stock Exchange on July 8, 2022. The coupon rate is 0.2% for the first year, 0.4% for the second year, 0.6% for the third year, 1.0% for the fourth year, 1.5% for the fifth year, 2.0% for the sixth year, and will be paid annually.

Out of the principal amount of Rmb7,000,000,000, RMB3,833,185,000 was subscribed by Zhejiang Shangsang Expressway Co., Ltd. (“Shangsang Co”), another subsidiary of the Group.

On June 15, 2022, Shangsang Co entered into separate Agreements with Zhejiang Communications Investment Group Finance Co., Ltd and Zhejiang Zheshang Financial Holding Co., Ltd, respectively, in relation to the transfer of the Convertible Bond 2022 in the aggregate principal amount of Rmb1,100,000,000 at the aggregate consideration of not more than Rmb1,200,000,000. Completion will take place within 40 trading days from the first trading day upon the lapse of the Lock-up Period (a six-months’ lock-up period commencing from the initial registration of the Convertible Bonds during which Shangsang Co, being the controlling shareholder of Zheshang Securities, is not allowed to transfer, assign or otherwise dispose of the Convertible Bonds), both dates inclusive.

The principal terms of the Convertible Bond 2022 are set out below:

(1) Conversion right

The Convertible Bond 2022 will, at the option of the holders (the “Bondholders 2022”), be convertible (unless previously redeemed, converted or purchased and cancelled) during the period from December 20, 2022 up to June 13, 2028, into fully paid ordinary shares of Zheshang Securities with a par value of Rmb1.00 each at an initial conversion price (the “Conversion Price 2022”) of Rmb10.49 per share. The Conversion Price 2022 will be adjusted when Zheshang Securities distributes stock dividends, capitalises common reserves into share capital, issues new shares or places new shares, distributes cash dividend (excluding the increase in share capital due to the conversion of the Convertible Bond 2022 issued).

When the share price of Zheshang Securities is less than 80% of the Conversion Price 2022 for any 15 business days within a period of 30 consecutive business days prior to the Maturity Date 2022, the board of directors of Zheshang Securities has the right to propose a downward revision resolution on the Conversion Price 2022, and submits it to the shareholder’s meeting of Zheshang Securities for approval. As at June 30, 2022, the Conversion Price 2022 was Rmb10.49 per share.

(2) Redemption

(i) Redemption at maturity

Zheshang Securities will redeem all the outstanding Convertible Bond 2022 at 106% of its principal amount (including the last instalment of interest payment) within five business days from the Maturity Date 2022.

(ii) Redemption on conditions

During the conversion period of the Convertible Bond 2022, upon the occurrence of any of the following two conditions, Zheshang Securities is entitled to redeem all or part of the outstanding Convertible Bond 2022 based on the par value and interest in arrears:

- (a) During the conversion period of the Convertible Bond 2022, for any 15 business days within a period of 30 consecutive business days, the closing share price of Zheshang Securities is not less than 130 percent (including 130 percent) of the Conversion Price 2022;
- (b) When the aggregate principal amount of the outstanding Convertible Bond 2022 is less than Rmb30,000,000.

The Convertible Bond 2022 contains a liability component and an equity component. At initial recognition, the equity component of the Convertible Bond 2022 was separated from the liability component. As the Convertible Bond 2022 was issued by a subsidiary of the Company and is convertible into that subsidiary's own shares, the equity element is considered as non-controlling interests. The effective interest rate of the liability component is 3.3564% per annum.

Changes in the liability and equity component of the Convertible Bond 2022 since the issuance of Convertible Bond 2022 to June 30, 2022 are set out as below:

	Liability component	Equity component
	<i>Rmb'000</i>	<i>Rmb'000</i>
	<u> </u>	<u> </u>
Issuance on June 14, 2022	2,856,082	310,733
Issue cost	(12,782)	(1,387)
Interest charge	<u>4,457</u>	<u>–</u>
As at June 30, 2022 (Unaudited)	<u><u>2,847,757</u></u>	<u><u>309,346</u></u>

No conversion or redemption of the Convertible Bond 2022 has occurred up to June 30, 2022.

BUSINESS REVIEW

In the first half of 2022, under the backdrop of ongoing Russia-Ukraine conflict and elevated inflation worldwide, the global economic growth slowed down. Due to unexpected factors such as complex evolution of 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. China's GDP grew 2.5% year-on-year for the first half of 2022. During the Period, Zhejiang Province has responded vigorously to difficulties arising from the latest waves of the epidemic, such as disruptions in logistics and blockages in the industry chain and supply chain. Zhejiang Province's GDP rose by 2.5% year-on-year during the first half of 2022.

During the Period, toll revenue of the Group's expressways showed 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 despite the downward movement of the capital market. During the Period, total revenue of the Group was Rmb7,028.12 million, representing a decrease of 8.7% year-on-year, of which Rmb4,047.67 million was generated by the nine major expressways operated by the Group, representing a decrease of 13.1% year-on-year and 57.6% of total revenue. Revenue generated by the securities business was Rmb2,912.92 million, representing a decrease of 0.8% year-on-year and 41.4% of the total revenue.

A breakdown of the Group's revenue for the Period is set out below:

	For the six months ended June 30,		
	2022	2021	% Change
	<i>Rmb'000</i>	<i>Rmb'000</i>	
Toll road operation revenue	4,047,666	4,660,042	-13.1%
Shanghai-Hangzhou-Ningbo Expressway	1,809,881	2,109,816	-14.2%
Shangsan Expressway	484,620	605,764	-20.0%
Jinhua section, Ningbo-Jinhua Expressway	232,427	262,885	-11.6%
Hanghui Expressway	285,718	313,449	-8.8%
Huihang Expressway	71,482	79,278	-9.8%
Shenjiahuhang Expressway	305,451	378,595	-19.3%
Zhoushan Bay Bridge	340,100	461,782	-26.4%
LongLiLiLong Expressways	341,556	362,514	-5.8%
Zhajiasu Expressway	176,431	85,959	105.3%
Securities business revenue	2,912,920	2,937,124	-0.8%
Commission and fee income	1,738,076	1,936,338	-10.2%
Interest income	1,174,844	1,000,786	17.4%
Other operation revenue	67,535	99,399	-32.1%
Hotel and catering	36,908	59,671	-38.1%
Public-Private Partnership	30,627	39,728	-22.9%
Total revenue	<u>7,028,121</u>	<u>7,696,565</u>	<u>-8.7%</u>

Toll Road Operations

During the Period, 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, the sporadic outbreaks of the epidemic in Zhejiang Province, Shanghai and surrounding provinces and cities in the first half of 2022, in particular, the epidemic outbreak in Shanghai in March, had a serious impact on the traffic volume of the Group's expressways. 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 opened 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. In order to alleviate traffic congestion, 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.

Looking back at the first half of 2022, the Group focused on the core expressway business by deepening reform and innovation, increasing market-oriented expansion, and making every effort to cope with the short-term impact caused by the resurgence of epidemic on toll road business. With the effective control of epidemic and continuous resumption of work and 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.

During the Period, the daily average traffic volume in full-trip equivalents, toll revenue and the corresponding year-on-year growth rates on the Group's expressways are listed below:

The Group's Expressway Sections	Daily Average Traffic Volume <i>(in Full-Trip Equivalents)</i>	Year-on- year Change	Toll Revenue <i>(Rmb million)</i>	Year-on- year Change
Shanghai-Hangzhou-Ningbo Expressway	59,227	-20.30%	1,809.88	-14.2%
– Shanghai-Hangzhou Section	46,395	-34.90%		
– Hangzhou-Ningbo Section	68,880	-10.00%		
Shangsan Expressway	26,446	-23.37%	484.62	-20.0%
Jinhua Section, Ningbo-Jinhua Expressway	26,600	-13.30%	232.43	-11.6%
Hanghui Expressway	22,634	-8.02%	285.72	-8.8%
Huihang Expressway	9,431	-7.88%	71.48	-9.8%
Shenjiahuhang Expressway	26,242	-24.11%	305.45	-19.3%
Zhoushan Bay Bridge	16,389	-26.79%	340.10	-26.4%
LongLiLiLong Expressways	13,403	-5.75%	341.56	-5.8%
Zhajiasu Expressway	27,200	-28.75%	176.43	105.3%

Note: Zhajiasu Expressway was consolidated into the Group's consolidated financial statements from May 2021. The year-on-year change of toll revenue of Zhajiasu Expressway in the above table is calculated based on the figures from May to June 2021.

Securities Business

Affected by the domestic and international economic situation in the first half of 2022, the domestic capital markets experienced significant volatility, which weighed down the results of securities business. In particular, the securities investment business and investment banking business were greatly affected. In the face of extraordinary pressure, 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.

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.

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 Rmb370.60 million, a decrease of 54.4% year-on-year.

Hotel and Catering Business

In the first half of 2022, the recurring epidemic in China greatly affected the tourism and business travel, which had a serious impact on the operating results of the Group's two hotels in the short run.

Grand New Century Hotel, owned by Zhejiang Linping Expressway Co., Ltd. (a 51% owned subsidiary of the Company), recorded revenue of Rmb28.35 million for the Period, a decrease of 20.7% year-on-year. Zhejiang Grand Hotel, owned by Zhejiang Grand Hotel Limited (a 100% owned subsidiary of the Company), recorded revenue of Rmb8.56 million for the Period, a decrease of 64.2% year-on-year.

Long-Term Investments

Zhejiang Shaoxing Shengxin Expressway Co., Ltd. ("Shengxin Co", a 50% owned joint venture of the Company) operates the 73.4km Shaoxing Section of the Ningbo-Jinhua Expressway. During the Period, the average daily traffic volume in full-trip equivalents was 24,034, representing a decrease of 13.84% year-on-year. Toll revenue was Rmb231.36 million, representing a decrease of 7.8% year-on-year. During the Period, the joint venture recorded a net profit of Rmb39.15 million, representing a decrease of 46.5% year-on-year.

Zhejiang HangNing Expressway Co., Ltd. (a 30% owned associate of the Company) owns the 99km HangNing Expressway. During the Period, the associate company recorded a net profit of Rmb88.76 million, representing a decrease of 65.7% as compared to the period from February to June 2021.

Zhejiang Communications Investment Group Finance Co., Ltd. (a 20.08% owned associate of the Company) derives income mainly from interest, fees and commissions for providing financial services, including arranging loans and receiving deposits, for Zhejiang Communications Investment Group Co., Ltd., the controlling shareholder of the Company, and its subsidiaries. During the Period, the associate company recorded a net profit of Rmb281.95 million, representing a decrease of 47.6% year-on-year.

Yangtze United Financial Leasing Co., Ltd. (a 10.61% owned associate of the Company) is primarily engaged in the finance leasing business, the transferring and receiving of financial leasing assets, fixed-income securities investment, and other businesses approved by the China Banking and Insurance Regulatory Commission. During the Period, the associate company recorded a net profit of Rmb271.16 million, representing an increase of 17.0% year-on-year.

Shanghai Rural Commercial Bank Co., Ltd. (a 4.85% owned associate of the Company) is primarily engaged in the commercial banking business, including deposits, short-, medium-, and long-term loans, domestic and overseas settlements and other businesses that are approved by the China Banking and Insurance Regulatory Commission. During the Period, the associate company recorded a net profit attributable to the owners of Rmb5,847.37 million, representing an increase of 14.3% year-on-year.

During the Period, Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership) (a 24.99% owned associate of the Company) was primarily engaged in equity investments, investment management and investment consultation. During the Period, the share of profit of the associate attributable to the Company is Rmb10.02 million, representing a decrease of 60.0% year-on-year.

FINANCIAL ANALYSIS

The Group adopts a prudent financial policy with an aim to provide shareholders of the Company with sound returns over the long term.

During the Period, profit attributable to owners of the Company was approximately Rmb1,586.27 million, representing a decrease of 36.9% year-on-year, basic earnings per share was Rmb36.52 cents, representing a decrease of 36.9% year-on-year, diluted earnings per share was Rmb36.52 cents, representing a decrease of 33.4% year-on-year, and return on owners' equity was 5.8%, representing a decrease of 42.6% year-on-year.

Liquidity and financial resources

As at June 30, 2022, current assets of the Group amounted to Rmb132,729.65 million in aggregate (December 31, 2021: Rmb130,843.32 million), of which bank balances, clearing settlement fund, deposits and cash accounted for 17.8% (December 31, 2021: 13.5%), bank balances and clearing settlement fund held on behalf of customers accounted for 30.7% (December 31, 2021: 29.3%), financial assets at FVTPL accounted for 29.7% (December 31, 2021: 34.7%) and loans to customers arising from margin financing business accounted for 13.6% (December 31, 2021: 14.8%). The current ratio (current assets over current liabilities) of the Group as at June 30, 2022 was 1.50 (December 31, 2021: 1.30). Excluding the effect of the customer deposits arising from the securities business, the resultant current ratio of the Group (current assets less bank balances and clearing settlement fund held on behalf of customers over current liabilities less balance of accounts payable to customers arising from securities business) was 1.90 (December 31, 2021: 1.60).

The amount of financial assets at FVTPL included in current assets of the Group as at June 30, 2022 was Rmb39,432.79 million (December 31, 2021: Rmb45,445.71 million), of which 76.8% was invested in bonds, 5.8% was invested in stocks, 7.7% was invested in equity funds, and the rest were invested in structured products and trust products.

During the Period, net cash from the Group's operating activities amounted to Rmb5,180.71 million. The currency mix in which cash and cash equivalents are held has not substantially changed as compared to the same period last year.

The Directors do not expect the Company to experience any problems with liquidity and financial resources in the foreseeable future.

Borrowings and solvency

As at June 30, 2022, total liabilities of the Group amounted to Rmb130,791.61 million (December 31, 2021: Rmb131,873.66 million), of which 15.4% was bank and other borrowings, 1.5% was short-term financing note, 20.8% was bonds payable, 3.6% was convertible bonds, 15.0% was financial assets sold under repurchase agreements and 30.8% was accounts payable to customers arising from securities business.

As at June 30, 2022, total interest-bearing borrowings of the Group amounted to Rmb53,898.15 million, representing a decrease of 0.3% compared to that as at December 31, 2021. The borrowings comprised outstanding balances of domestic commercial bank loans of Rmb14,253.20 million, borrowings from other domestic financial institutions of Rmb3,041.55 million, borrowings from other domestic institutions of Rmb2,798.94 million, short-term financing note of Rmb1,515.80 million, beneficial certificates of Rmb467.25 million, long-term beneficial certificates of Rmb1,025.95 million, mid-term notes of Rmb3,062.54 million, subordinated bonds of Rmb9,109.80 million, corporate bonds of Rmb11,297.01 million, asset backed securities of Rmb2,673.74 million, convertible bonds of Rmb2,847.76 million, and convertible bond denominated in Euro that equivalents to Rmb1,804.61 million. Of the interest-bearing borrowings, 74.3% was not payable within one year.

As at June 30, 2022, the Group's borrowings from domestic commercial banks bore annual fixed interest rates ranged from 3.4% to 4.8%, annual floating interest rates ranged from 4.08% to 4.70%, the annual floating interest rates of other domestic financial institutions ranged was 4.13%, and the annual fixed interest rates ranged from 3.5% to 4.13%. The annual fixed interest rates of other domestic institutions were 3.0% and 4.5%. As at June 30, 2022, the annual floating interest rates of beneficial certificates ranged from 3.2% to 20.0%. The annual fixed interest rates for short-term financing notes was 2.48%. The annual fixed interest rates for long-term beneficial certificates ranged was 4.1%. The annual fixed interest rate for mid-term notes were 2.97% and 3.64%. The annual fixed interest rates for subordinated bonds ranged from 3.5% to 4.18%. The annual fixed interest rate for corporate bond ranged from 1.638% to 3.85%. The annual fixed interest rate for asset backed securities was 3.7%. The annual coupon rate for convertible bond denominated in Rmb was 0.2%. The annual coupon rate for convertible bond denominated in Euro was nil, while the annual interest rate for accounts payable to customers arising from the securities business was fixed at 0.35%.

Total interest expenses and profit before interest and tax for the Period amounted to Rmb904.99 million and Rmb3,566.38 million, respectively. The interest cover ratio (profit before interest and tax over interest expenses) stood at 3.9 (Corresponding period of 2021: 5.1 times).

As at June 30, 2022, the asset-liability ratio (total liabilities over total assets) of the Group was 74.0% (December 31, 2021: 74.8%). Excluding the effect of customer deposits arising from the securities business, the resultant asset-liability ratio (total liabilities less balance of accounts payable to customers arising from securities business over total assets less bank balances and clearing settlement fund held on behalf of customers) of the Group was 66.5% (December 31, 2021: 68.0%).

Capital structure

As at June 30, 2022, the Group had Rmb45,880.24 million in total equity, Rmb100,852.38 million in fixed-rate liabilities, Rmb15,229.05 million in floating-rate liabilities, and Rmb14,710.18 million in interest-free liabilities, representing 26.0%, 57.1%, 8.6% and 8.3% of the Group's total capital, respectively. The gearing ratio, which is computed by dividing the total liabilities less accounts payable to customers arising from the securities business by total equity, was 197.2% as at June 30, 2022 (December 31, 2021: 211.2%).

Capital expenditure commitments and utilization

During the Period, capital expenditure of the Group totaled Rmb107.26 million. Amongst the total capital expenditure, Rmb21.48 million was incurred for acquisition and construction of properties and ancillary facilities, and Rmb85.78 million was incurred for purchase and construction of equipment and facilities.

As at June 30, 2022, the remaining capital expenditure committed by the Group amounted to Rmb3,517.10 million in total. Amongst the remaining balance of total capital expenditure committed by the Group, Rmb210.00 million will be used for acquiring equity investments, Rmb1,495.40 million will be used for acquisition and construction of properties and ancillary facilities, Rmb1,811.70 million for acquisition and construction of equipment and facilities.

The Group will consider financing the above-mentioned capital expenditure commitments with internally generated cash flow first and then will comprehensively consider using debt financing and equity financing to meet any shortfalls.

Contingent liabilities and pledge of assets

Pursuant to the board resolution of the Company dated November 16, 2012, the Company and Shaoxing Communications Investment Group Co., Ltd. (the other joint venture partner that holds 50% equity interest in Shengxin Co) provided Shengxin Co with joint guarantee for its bank loans of Rmb2.20 billion, in accordance with their proportionate equity interest in Shengxin Co. During the Period, Rmb115.00 million of the bank loans had been repaid. As at June 30, 2022, the remaining bank loan balance was Rmb758.00 million.

Zhejiang Shenjiahuhang Expressway Co., Ltd and Zhejiang Zhoushan Bay Bridge Co., Ltd, the subsidiaries of the Company, pledged their rights of toll on expressway for their bank borrowing. As at June 30, 2022, the remaining bank loan balance was Rmb1,861.94 million and Rmb5,896.85 million respectively.

Deqing County De'an Highway Construction Co., Ltd. a subsidiary of the Company, pledged its trade receivables for its bank borrowing. As at June 30, 2022, the remaining bank loan balance was Rmb552.55 million.

Huangshan Yangtze Huihang Expressway Co., Ltd., a subsidiary of the Company, pledged its right of toll on expressway and advertisement operation right for its borrowing. As at June 30, 2022, the remaining balance was Rmb1,181.00 million.

Zhejiang LongLiLiLong Expressway Co., Ltd., a subsidiary of the Company, pledged its right of toll on expressway for its bank and other borrowing. As at June 30, 2022, the remaining bank and other borrowing balance was Rmb4,921.33 million.

Jiaxing Zhajiasu Expressway Co. Ltd., a subsidiary of the Company, pledged its right of toll on expressway for its bank borrowing. As at June 30, 2022, the remaining bank loan balance was Rmb1,606.13 million.

During the Period, the remaining Rmb829.20 million of the Rmb2,013.00 million Zhejiang Expressway's Huihang Expressway asset backed securities issued on September 23, 2019 will be secured by the Company.

Except for the above, as at June 30, 2022, the Group did not have any other contingent liabilities, pledge of assets or guarantees.

Foreign exchange exposure

During the Period, save for (i) dividend payments to the holders of H shares in Hong Kong dollars; (ii) Zheshang International Financial Holding Co., Limited. (a wholly owned subsidiary of Zheshang Securities) operating in Hong Kong; (iii) issuance of the zero coupon convertible bond with a principal amount of Euro230 million in Hong Kong capital market in January 2021, which will be due in January 2026; and (iv) issuance of the senior fixed-rate bonds with a principal amount of USD470 million in Hong Kong capital market in July 2021, which will be due in July 2026 and has an coupon rate of 1.638%; the Group's principal operations were transacted and booked in Renminbi.

During the Period, the Group has not used financial instruments for hedging purpose.

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. The burdens of contracted demand, supply chain disruption and weakening expectations in domestic economy still exist, which destabilize the foundation for a sustained economic recovery. Despite the 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 2022. Under the premise of epidemic being under control, the overall traffic volume and toll revenue on the Group's expressways are expected to gradually stabilize in the second half of 2022.

The Group will focus on high-quality development and strive to consolidate and increase the steady upside momentum of operating efficiency. The Group will deeply explore new demand of "Expressway + Tourism" and "Expressway + Service Area" and actively coordinate with local culture and tourism authorities to achieve mutual benefit and win-win situation. It will optimize the differentiated toll collection solutions to attract more traffic onto the Group's expressways, thereby enhancing revenue growth. The Group will facilitate the pilot reform of the operation system of vehicle towing and rescue in an orderly manner and actively resolve congestions on expressways with high traffic volume to vigorously enhance the ability to rescue and ensure smooth traffic flow. It will also strengthen the integrated management of construction work, increase research and development efforts of road maintenance technology as well as introduce relevant equipment to effectively improve the level of maintenance services.

Meanwhile, the Group will focus on innovation driving and digital empowerment to comprehensively promote digital technological innovation. The Group will accelerate the construction of the intelligent Shanghai-Hangzhou-Ningbo Expressway (Phase II), and strive to create a model for intelligent expressway construction. It will continuously optimize the scenario application of "Digital Display Billboard", and strongly support the scientific decision-making and rigorous management of business operations. The Group will also increase investment in technological research and development and talent recruitment to constantly improve the Company's technological research and development capabilities.

With the rejuvenating market conditions and the constant deepening of capital market reforms, the securities business will face new opportunities and challenges. Zheshang Securities will closely monitor industry trends, and roll out its strategic plan with precision. Zheshang Securities will further optimize its business structure and revenue structure, and progressively improve the ability to mitigate periodic fluctuations. Zheshang Securities will strive to develop and reserve high-quality investment banking projects and strengthen the development and comprehensive service capacity of investment banking business. Zheshang Securities will also strengthen the capabilities of compliance and risk control in the midst of fluctuating market conditions, and facilitate the sustainable and healthy development of various businesses.

In the face of 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. The management will conduct in-depth studies of the market environment, progressively facilitating the investment as well as merger and acquisition of domestic high-quality expressway projects and continuously track international projects under the premise of risk control to expand the scale of its core business. Meanwhile, the management will take advantage of the private REITs means and the public REITs platform to further improve assets liquidity, and endeavors to pursue the reconstruction and expansion projects of existing expressways in order to effectively accelerate the sustainable development of core expressway business.

IMPORTANT EVENTS OCCURRED SINCE THE END OF THE PERIOD

There have been no important events affecting the Group since the end of the Period.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities during the Period.

COMPLIANCE WITH LISTING RULES APPENDIX 14

During the Period, the Company complied with the code provisions in the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules, and adopted the recommended best practices in the Code as and when applicable during the Period.

PUBLICATION OF FINANCIAL INFORMATION

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zjec.com.cn). The interim report of the Company for the six months ended June 30, 2022 will be dispatched to shareholders of the Company and will be available on the above websites in due course.

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

Hangzhou, the PRC, August 24, 2022

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 other 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.