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Zhejiang Expressway Announces 2014 Annual Results
Deepen Reform, Strengthen Innovation and Accelerate Transformational Development

Financial Highlights

- Revenue amounted to Rmb9,051.12 million, representing an increase of 15.3% year-on-year
- Profit attributable to owners of the Company amounted to Rmb2,349.05 million, representing an increase of 23.2% year-on-year
- Earnings per share was Rmb54.09 cents
- A final dividend of Rmb26.5 cents per share is recommended

(Hong Kong, March 19, 2015) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced the audited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the year ended December 31, 2014 (the “Period”).

During the Period, revenue for the Group was Rmb9,051.12 million, representing an increase of 15.3% over 2013. Profit attributable to owners of the Company was Rmb2,349.05 million, representing an increase of 23.2% year-on-year. Earnings per share for the Period was Rmb54.09 cents (2013: Rmb43.92 cents). The Directors have recommended to pay a final dividend of Rmb26.5 cents per share (2013: Rmb 25 cents).

Mr. Zhan Xiaozhang, Chairman of the Company said, “2014 was the first year that the Company began to implement internal reform, marking a milestone of our three-year strategic program. We successfully accomplished our annual goals and reached a record high in revenue through focusing on reform and innovation as two main themes within our businesses. As Zhejiang Province’s economy steadily improved and foreign trade rose, traffic volume on the Group’s expressways continued to experience decent organic growth. In addition, trading in the domestic stock market was active. As a result, income from the Group’s overall operations increased 15.5% year-on-year and total income reached Rmb9,343.77 million.”

Business Review

During the Period, the average daily traffic volume in full-trip equivalents along the Group’s Shanghai-Hangzhou-Ningbo Expressway was 45,198, representing an increase of 2.7% year-on-year. In particular, the average daily traffic volume in full-trip equivalents along the Shanghai-Hangzhou section of the Shanghai-Hangzhou-Ningbo Expressway was 43,563, representing a decrease of 1.4% year-on-year, and that along the Hangzhou-Ningbo Section was 46,366, representing an increase of 5.6% year-on-year. Average



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

daily traffic volume in full-trip equivalents along the Shangsang Expressway was 22,898, representing an increase of 25.0% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 15,911, representing an increase of 17.6% year-on-year.

Total toll income from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsang Expressway and the 70km Jinhua Section of the Ningbo-Jinhua Expressway was Rmb4,407.70 million during the Period, representing an increase of 6.0% year-on-year. Toll income from the Shanghai-Hangzhou-Ningbo Expressway was Rmb3,111.05 million, representing a decline of 0.4% year-on-year; toll income from the Shangsang Expressway was Rmb987.43 million, representing an increase of 28.3% year-on-year. Toll income from the Jinhua Section of the Ningbo-Jinhua Expressway was Rmb309.22 million, representing an increase of 16.0% year-on year.

For the toll road-related business operations, as the opening of the Jiaying-Shaoxing Bridge diverted a certain amount of traffic volume from the Shanghai-Hangzhou-Ningbo Expressway, the service areas along the Shanghai-Hangzhou-Ningbo Expressway, which have been a bigger contributor to revenue in the past, were adversely influenced. In addition, a large number of billboards along the expressways were removed due to a clean-up campaign of billboards along all expressways in Zhejiang Province. This resulted in a substantial decline in advertising revenue and a slight decline in overall revenue from service areas. However, the Group's toll road-related businesses as a whole recorded solid growth as a result of additional income from external road maintenance projects and increased sales of refined oil products. Income from toll road related operations during the Period was Rmb2,388.00 million, representing an increase of 8.9% year-on-year.

For the securities business, Zheshang Securities' average brokerage commission rate declined from 0.08% to 0.067% as a result of more intensified competition in the securities industry as authorities relaxed controls on commissions. The total trading volume of the Shanghai and Shenzhen stock markets increased 63.81% from last year due to a revival of activity in the domestic securities market. During the Period, the brokerage business of Zheshang Securities saw a substantial increase in trading volume. Zheshang Securities' total operating income was Rmb2,548.07 million, an increase of 46.3% year-on-year. Of this, brokerage commission income rose 40.4% year-over-year to Rmb1,808.95 million, and interest income from the securities business was Rmb739.12 million, an increase of 62.8%. Moreover, securities investment gains of Zheshang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb262.39 million during the Period. In addition, Zheshang Securities submitted an IPO application to Shanghai Stock Exchange, which was accepted by the China Securities Regulatory Commission in May, 2013. Zheshang Securities remains on the wait list for an IPO.

Outlook

As the world economy continues to struggle for recovery, China's economy is moving into a "new normal"



mode as it downshifts from rapid growth to more moderate levels of growth. It is anticipated that the Group's toll road business, which is closely tied to macro-economic development, will see steady growth in expressway traffic volume in 2015, while the rate of growth is expected to be lower than 2014.

After the launch of Shanghai-Hong Kong Stock Connect program, it is expected that a series of favorable policies will be launched to promote the development of the capital markets in China, including an expansion of the Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Connect program, which will present new opportunities to the Group's securities business. Meanwhile, Zheshang Securities will pay close attention to market policy updates, continue to push innovation in its business, and identify new profit drivers. In addition, while it focuses on reinforcing cost and risk controls, it will push forward its listing process on the Shanghai Stock Exchange, promoting a sustainable and healthy development of various lines of its businesses.

Mr. Zhan concluded, "Looking ahead to 2015, with China's economy moving into a 'new normal' mode, the Group's management believes that the new round of economic reforms will bring new opportunities and challenges to the Group's transformational development. The Group will strengthen its core expressway business and improve its securities businesses as well as look for appropriate investment projects through diversified channels to further exploit its growth potential and boost profitability in the future."

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About Zhejiang Expressway Co., Ltd

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) is regarded by the Zhejiang Provincial Government as its main enterprise for investment, development, operation, maintenance and management of high-grade roads in Zhejiang Province. The Company and its subsidiaries have concession rights to operate the Shanghai-Hangzhou-Ningbo Expressway and the Shangsang Expressway for a period of 30 years, as well as the Jinhua Section of the Ningbo-Jinhua Expressway for a period of 25 years. The Company and its subsidiaries also carry out certain ancillary businesses such as automobile servicing, operation of gas stations and billboard advertising along expressways, as well as the securities business.



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For further information, please contact:

Zhejiang Expressway Co., Ltd.

Mr. Tony Zheng / Ms. Helen Wu

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

PR Concepts

Ms. Jung Chang

Tel: (852) 2117 0861

Mob: (852) 9226 6258

Email: jung@prconcept.com

Mr. Ricky Tan

Tel: (852) 2117 0861

Mob: (852) 6605 9808

Email: ricky@prconcept.com