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Zhejiang Expressway Announces 2015 Annual Results
Deepen Reform and Innovation, Seek for Leapfrog Development

Financial Highlights

Revenue amounted to Rmb12,507.39 million, representing an increase of 32.2% year-on-year
Profit attributable to owners of the Company amounted to Rmb2,989.68 million, representing an increase of 32.0% year-on-year
Earnings per share was Rmb68.84 cents
A final dividend of Rmb28 cents per share is recommended

(Hong Kong, March 17, 2016) – 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, 2015 (the “Period”).

During the Period, revenue for the Group was Rmb12,507.39 million, representing an increase of 32.2% over 2014. Profit attributable to owners of the Company was Rmb2,989.68 million, representing an increase of 32.0% year-on-year. Earnings per share for the Period was Rmb68.84 cents (2014 (restated): Rmb52.15 cents). The Directors have recommended to pay a final dividend of Rmb28 cents per share (2014: Rmb26.5 cents).

Mr. Zhan Xiaozhang, Chairman of the Company said, “In 2015, in face of slower economic growth, our Company focused on reform and innovation. We constantly looked to enhance our competitiveness in the expressway business and sought to mitigate some of the risks brought on by turmoil in the capital markets. All in all, we successfully accomplished the goals set out in our three-year development plan, and we were able to achieve record-high operating results. We strengthened our efforts in enhancing the operation of our expressways, increased toll income by plugging loopholes, reduced costs, and enhanced road safety and road quality. Our securities business posted solid results as we proactively responded to market volatility, strengthened our compliance and risk management practices, and effectively mitigated risks. Our strong operating results and successful execution of our strategic plans have helped us focus on our two core businesses in expressways and financial securities, and have laid a solid foundation for future sustainable development.”

Business Review

During the Period, income from the Group’s overall operations was Rmb13,001.10 million, representing an



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increase of 33.1% over 2014. Rmb5,133.38 million was from the Group's main four expressways, representing an increase of 6.4% year-on-year, and accounting for 39.5% of total revenue. Rmb1,854.39 million was from the Group's toll-road related business, representing a decrease of 22.5% year-on-year, and accounting for 14.3% of total income. Rmb5,968.41 million was from the Group's securities business, representing an increase of 134.2% year-on-year, and accounting for 45.9% of total income.

During the Period, the average daily traffic volume in full-trip equivalents along the Group's Shanghai-Hangzhou-Ningbo Expressway was 47,862, representing an increase of 5.9% 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 46,264, representing an increase of 6.2% year-on-year, and that along the Hangzhou-Ningbo Section was 49,004, representing an increase of 5.7% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsans Expressway was 24,949, representing an increase of 9.0% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 18,801, representing an increase of 18.2% year-on-year. The average daily traffic volume in full-trip equivalents along the Group's Hanghui Expressway was 15,391, representing an increase of 12.7% year-on-year.

Total toll income from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsans Expressway, the 70km Jinhua Section of the Ningbo-Jinhua Expressway and the 122km Hanghui Expressway was Rmb5,133.38 million during the Period, representing an increase of 6.4% year-on-year. Toll income from the Shanghai-Hangzhou-Ningbo Expressway was Rmb3,257.26 million, representing an increase of 4.7% year-on-year; toll income from the Shangsans Expressway was Rmb1,055.02 million, representing an increase of 6.8% year-on-year. Toll income from the Jinhua Section of the Ningbo-Jinhua Expressway was Rmb356.99 million, representing an increase of 15.4% year-on-year. Toll income from the Hanghui Expressway was Rmb464.11 million, representing an increase of 11.1% year-on-year.

For the toll road-related business operations, Zhejiang Province took action to remove billboards along the expressways, which gradually narrowed the majority advertising business of the Group's subsidiary to expressway service areas only. As a result, advertising income substantially decreased within the Period. In addition, during the Period, total income from toll road-related operations was adversely affected by several reductions to the retail price of domestic refined oil. During the Period, overall income from toll road-related operations was Rmb1,854.39 million, representing a decrease of 22.5% year-on-year.

For the securities business, despite a continuous decline in average brokerage commission rate, the brokerage business of Zheshang Securities recorded substantial growth in trading volume and posted a year-on-year increase of 154.5% in brokerage commission income during the Period. While accelerating the comprehensive development of each of its business segment, Zheshang Securities has been actively developing innovative



businesses, and constantly working to improve its income and profit structure. During the Period, Zheshang Securities' total operating income was Rmb5,968.41 million, an increase of 134.2% year-on-year. Of which, commission income rose 130.4% year-on-year to Rmb4,168.43 million, and interest income from the securities business was Rmb1,799.98 million, an increase of 143.5%. Moreover, securities investment gains of Zheshang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb571.50 million during the Period. (2014: Rmb262.39 million)

Outlook

Looking forward to 2016, as differentiated regional economic developments will lead to varied levels of traffic demand, the Group's toll road businesses in different sections will have varied results. The Company's management anticipates that expressway traffic volume will see steady growth in 2016, but the rate of growth is expected to be lower than 2015.

The indices in the Shanghai and Shenzhen stock markets experienced huge fluctuations last year. However, as the government actively promotes the healthy development of capital markets, and the construction of a multi-level capital market continues to deepen, the Company's management believes that new opportunities will materialize for the Group's securities business. At the same time, as China's Securities Regulatory Commission restarts IPOs in the A-share market, the Company believes Zheshang Securities' listing process in the Shanghai Stock Exchange will be advanced.

Mr. Zhan concluded, "Amid the complex and volatile situation, the Company's management will continue to expand its core expressway business and further enhance its core competitiveness, as well as look for new profit drivers to improve its securities business. The Company will strive to identify suitable investment projects with manageable risks and foster diversified management skills to further boost its growth potential and improve profitability in the future, as well as provide satisfactory returns for its shareholders with decent results."

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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



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businesses such as automobile servicing, operation of gas stations and billboard advertising along expressways, as well as the securities business.

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