



Enhancing Value through Extending Our Competitiveness.

*"Xi Hu's conservancy takes loads of consultation;
With the six silted wells mourning Marquis of Bian;
Then the stone conduit and the causeway of rape-turnips were successively built;
The successes of Bai and Su enshrined with the everlasting water."*

- "Conservancy of Xi Hu", Chen Can -

For centuries, the beauty of Xi Hu (the West Lake) has captivated the immortals of different eras, yet its floods have also brought sufferings to the public. As one tours around Xi Hu, the various contributions on Xi Hu's conservancy by the immortals of various eras will be found enshrined everywhere.

Bai Juyi of the Tang Dynasty, Su Shi of the Song Dynasty, Yang Mengying and Sun Gai of the Ming Dynasty and Ruan Yuan of the Qing Dynasty have contributed greatly to solving Xi Hu's flood problem. Their contributions throughout the centuries resulted in today's scenic Xi Hu, whose "Three Causeways and Three Isles" are unmatched and renowned in the world.

For ten years, Zhejiang Expressway has been devoting itself to enhancing value through extending its competitiveness. Looking back at the past, it is also observable that the Company management and the whole staff team have been making development efforts on various aspects in different stages, thereby building up today's success.

The Company's successful listing on the Hong Kong Stock Exchange in 1997 has opened up a financing channel in the international capital market. Subsequently, following the full commencement of the Shanghai-Hangzhou-Ningbo Expressway, the incorporation of Shangsang Co, and then the undertaking of the widening project to develop the province's first 8-lane expressway, the Company's key assets have become the transportation hubs of Zhejiang Province, while Zhejiang Expressway has also assumed the important role of the province's major expressway operator. Through quality management and a customer-first operating approach, the Company has seen its expressways' traffic volume and toll income rising continuously throughout the years. Meanwhile, the Company is actively developing expressway-related business operations, such as service areas, petrol stations and vehicle service, which have begun to offer significant revenue contributions to the Company in recent years. On the other hand, the Company has been endeavoring to enhance its governance standard, with measures such as establishing various independent committees to regulate the Company's operation. In only ten years, Zhejiang Expressway has become the only H-share toll-road company to achieve ten consecutive years of double-digit net profit growth, as well as one of the leading listed Chinese toll-road companies, strongly favored by overseas investors.

In the past ten years, Zhejiang Expressway has made proud achievements. Looking ahead, the Company will base on its achievements and experience in the past ten years and adhere to its prudent but progressive development strategies to strengthen its core business. The Company will set its sight on creating a top-calibre service brand in the national expressway sector, maximizing shareholders' value and making more contributions to the economic and social development of Zhejiang Province.