



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.HK)

Zhejiang Expressway Announces 2023 Interim Results Focusing on the Core Business to Continuously Strengthen Core Competitiveness, 67.9% YoY Increase in Profit Attributable to Owners of the Company

Financial Highlights :

- YoY revenue growth of 13.8%, amounting to RMB 8,000.66 million
- YoY increase in net profit attributable to owners of the Company of 67.9%, amounting to RMB 2,663.10 million
- Basic earnings per share of RMB 61.32 cents, with a YoY growth of 67.9%
- Diluted earnings per share of RMB 58.67 cents, with a YoY increase of 60.6%

(24 August, 2023, Hong Kong) **Zhejiang Expressway Co., Ltd.** (“Zhejiang Expressway” or the “Company”, Stock Code: 0576.HK) announced the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2023 (the “Period”).

During the Period, the Group’s operating results continued to improve. Compared to the same period in 2022, the Group’s revenue increased by 13.8% to RMB 8,000.66 million. Profit attributable to owners of the Company amounted to RMB 2,663.10 million, representing an increase of 67.9% year-on-year. The basic earnings per share were RMB 61.32 cents, showing a growth of 67.9%, while diluted earnings per share were RMB 58.67 cents, with a year-on-year increase of 60.6%.

Specifically, with the gradual subsiding impact of the pandemic and low base effect, the toll revenue from the Group’s expressways saw a significant year-on-year growth, while revenue from the securities business recorded stable growth benefiting from the rebound in the capital market.

During the Period, revenue generated from the eight major expressways under the Group amounted to RMB 4,755.46 million, an increase of 17.5% year-on-year, accounting for 59.4% of total revenue. The securities business contributed revenue of RMB 3,161.36 million to the Group, an increase of 8.5% year-on-year, accounting for 39.5% of the total revenue.

Focusing on the core business of expressways, toll revenue increased by 17.5% YoY

The Group owns total of eight expressways, namely the 248km Shanghai-Hangzhou-Ningbo Expressway, the 141km Shangsang Expressway, the 70km Jinhua Section of Ningbo-Jinhua Expressway, the 122km Hanghui Expressway, the 82km Huihang Expressway, the 46km Zhoushan Bay Bridge, the 222km LongLiLiLong Expressways and the 50km Zhajiasu Expressway. In the first half of 2023, with steady recovery of the domestic economy, the overall traffic volume of the Group's expressways experienced a significant increase, which led to substantial growth in toll revenue of the Group. The total toll revenue from these eight expressways amounted to RMB 4,755.46 million, representing a year-on-year increase of 17.5%.

In terms of operational management, the Group focused on the goal of high-quality development and continued to deepen market-oriented operations to drive robust growth of core expressway business. During the Period, the Group established an integrated model for road management works, advanced pilot reform of vehicle towing and rescue, and improved the construction of intelligent toll stations to continuously elevate traffic efficiency and service level of road network. While ensuring smooth road with a high-quality level, the Group actively accelerated projects of governments' paying tolls, explored voluntary discount campaigns for drawing traffic, and strived to improve the attractiveness of "Expressway + Tourism" activities to continuously increase its efforts in market-orientation and differentiation, and strengthen the operational performance of the core business. Additionally, during the Period, the Group successfully won the bid as an investor for the reconstruction and expansion of Shaoxing Section of the Ningbo-Jinhua Expressway, and the reconstruction and expansion projects of expressways progressed in an orderly manner.

Actively seized the opportunities of capital market rebound with stable progress in securities business

During the Period, the stabilization and recovery of the domestic economy and the full implementation of registration-based IPO system for share issuance facilitated the gradual rebound of the capital market with increased market activity. Zhejiang Securities, a subsidiary of the Group, closely adhered to its business strategy of serving the real economy, actively seized market

opportunities, deepened reform and development, and continuously enhanced its core competitiveness. Investment banking business and securities investment business achieved significant growth, which contributed to a stable and progressive operating result in the first half of 2023.

In the first half of 2023, Zhejiang Securities recorded total revenue of RMB 3,161.36 million, representing a year-on-year increase of 8.5%, of which, commission and fee income amounted to RMB 1,976.91 million, a year-on-year increase of 13.7%, and interest income from the securities business was Rmb1,184.45 million, a year-on-year increase of 0.8%. 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 amounted to RMB 885.86 million, representing a year-on-year increase of 139.0%.

Rapid rebound in hotel and catering business with significant growth in performance

During the Period, with the full relaxation of domestic epidemic prevention and control policies, the service industry experienced a rapid rebound, particularly in contact-based service sectors such as accommodation and catering, which were heavily impacted by the earlier stages of the pandemic. The two hotels under the Group achieved significant growth in business performance. Grand New Century Hotel recorded total revenue of RMB 40.82 million, representing a year-on-year increase of 44.0%. Zhejiang Grand Hotel recorded total revenue of RMB 19.18 million, representing a year-on-year increase of 124.2%.

Outlook

Looking ahead to the second half of 2023, geopolitical situation, trade protectionism, inflation and other risk factors will continue to increase the uncertainty and unpredictability of global economic development. In the face of various pressures and challenges, the Chinese government will accelerate efforts to foster a new development pattern, strengthen the role of macro policies in regulating economy, focus on expanding domestic demand and boosting confidence, and timely adjust and optimize real estate policies. With the effective implementation of various policies to stabilize economic growth, Chinese economy is expected to continuously recover in the second half of 2023. The traffic volume and toll revenue of expressways of the Group will maintain a stable growth due to general improvement in economy.

In the face of the complex and unstable situation at home and abroad, the Group will adhere to the

principle of market-oriented and high-quality development, constantly enhance its core expressway business, and optimize the securities and finance business. The management will thoroughly observe the changes in market environment and policies, and search for investment as well as merger and acquisition of expressway projects under the premise of risk control to expand its core business through multiple channels. It will also make every effort to advance the reconstruction and expansion projects of expressways and effectively facilitate the sustainable development of its core business.

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About Zhejiang Expressway Co., Ltd.

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEX code: 0576) is an infrastructure company principally engaged in investing in, developing and operating high-grade roads. The expressway operating rights of the Company and its subsidiaries were granted by Zhejiang Provincial Government and Anhui Provincial Government for a period ranging from 25 to 30 years. The Company and its subsidiaries also carry out securities business. Its subsidiary Zheshang Securities Co., Ltd. has been listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).

*This press release is distributed by Wonderful Sky Financial Group Limited on behalf of Zhejiang Expressway Co., Ltd.

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