

Immediate Release

26 August, 2024



*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 0576)

## Zhejiang Expressway Announces 2024 Interim Results

### Continued Growth in Operating Results with Net Profit Attributable to Owners Increased by 4.7% YoY

#### **Financial Highlights :**

- Revenue was Rmb8,367.60 million, representing an increase of 1.4% year-on-year
- Profit attributable to owners of the Company was Rmb2,680.01 million, representing an increase of 4.7% year-on-year
- Basic earnings per share was Rmb44.72 cents, and diluted earnings per share was Rmb44.04 cents

(26 August 2024 - 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, 2024 (the “Period”).

During the Period, the Group continued its growth in operating results. Compared to the same period in 2023, the Group’s revenue increased by 1.4% to Rmb8,367.60 million. Profit attributable to owners of the Company amounted to Rmb2,680.01 million, representing an increase of 4.7% year-on-year. Completion of the rights issue by the end of 2023 resulted in an increase of 1,650,383,510 shares in issue and while the rights issue provided strong momentum for future growth, the earnings per share had been diluted in the short term. As a result of the above factor, during the Period, the basic earnings per share was Rmb44.72 cents, showing a year-on-year decrease of 20.4%, while diluted earnings per share was Rmb44.04 cents, with a year-on-year decrease of 18.4%.

In terms of different business segments, toll revenue of the Group's expressways continued to grow amid steady recovery of China's economy, while revenue from securities business recorded a decrease lower than industry average despite the impact of downward volatility in the capital market. During the Period, revenue generated from the nine major expressways operated by the Group was Rmb5,112.57 million, representing a year-on-year increase of 2.2% and 61.1% of total revenue. Revenue generated from securities business for the Group was Rmb2,805.94 million, representing a year-on-year decrease of 11.2% and 33.5% of the total revenue.

### **Continuing to strengthen the competitiveness of the main business with continuous growth in toll revenue**

During the Period, as China's economy maintained a momentum of steady recovery, the overall traffic volume and toll revenue of the Group's expressways achieved sustained growth. Among which, benefiting from the increased demand for logistics transportation brought about by the economic growth in Zhejiang Province, the growth of trucks returned to normal, with a year-on-year increase of 5.3%; however, the growth of small trucks for short-distance trips was higher than that of medium- and large-sized trucks for long-distance trips, resulting in lower growth in toll revenue than that of traffic volume. The overall growth of passenger vehicles slowed down due to a return to normal travel consumption and a relative slowdown in domestic travel demand year-on-year, which was compounded by a higher base of passenger vehicles in the same period of 2023 caused by rapid rebound in travel demand during early stage of optimization of the Covid-19 pandemic control measures. In addition, non-operational factors such as abnormal rainy and snowy weather and the decrease in toll collection days for passenger cars by three days compared to the same period last year also had a certain negative impact on the toll revenue from passenger vehicles.

During the Period, total toll revenue of the Group was Rmb5,112.57 million, generated 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 46km Zhoushan Bay Bridge, the 222km LongLiLiLong Expressways, the 50km Zhajiasu Expressway and the 161km HuangQuNan Expressway.

At the same time, the Group actively practiced profit-centered, service-centered, and brand-centered development strategies and took various measures to boost revenue generation and

efficiency improvement. It optimized the traffic organization plan of Jinhua Section of Ningbo-Jinhua Expressway and Zhajiasu Expressway reconstruction and expansion projects in a coordinated manner, and made every effort to reduce the impact of short-term construction while enhancing the long-term profitability; completed the acquisition of the remaining 40% of the equity interest in January 2024 following the acquisition of 60% of the equity interest in Yonglan Expressway in 2023 through a joint venture investment platform, and continued to make efforts in market-oriented investment and mergers & acquisitions; was entrusted with the management of the Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway and the Hangzhou-Ningbo Expressway Parallel Line Phase I, with an additional operating mileage of 109km, promoting the exportation of expressway management; and focused on advancing recharging and swapping of batteries for heavy trucks of Ningbo-Jinhua Expressway, as well as explored the utilization of idle resources, the development of space under the bridge, traffic management business and other expressway-related industries to accelerate the development of expressway derivative economy.

### **Deepened reforms and adjusted business layout with securities business outperforming the industry average**

During the Period, the domestic capital market experienced drastic fluctuations, causing a huge impact on the securities industry and a general pressure for the overall performance. In the face of an exceptionally difficult operating environment, Zheshang Securities rose to the challenge, thoroughly deepened its reform, adjusted its business layout in a timely manner, and concentrated resources and strength of all parties to safeguard the stability of its overall business development, with overall performance better than industry average despite decline in its operating results.

During the Period, Zheshang Securities recorded total revenue of Rmb2,805.94 million, of which commission and fee income amounted to Rmb1,609.01 million, and interest income from securities business was Rmb1,196.92 million. In addition, securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income of the Group was Rmb574.77 million.

## Outlook

Looking ahead to the second half of 2024, with instability and uncertainty in the external environment on the rise, China is still in a critical period of economic recovery, transformation and upgrading, and the government is expected to make greater efforts to stimulate market's vitality and inherent momentum, so as to consolidate and enhance the economic upturn momentum. In the face of complex domestic and international state of affairs, the Group will continue to strengthen its market awareness and business mindset as well as focus on improving its core competitiveness to boost high-quality and sustainable development. The Group will make every effort to safeguard progress of reconstruction and expansion of existing expressways, and promote investment and merger & acquisition of high-quality expressway projects to continuously expand the scale of its core business; focus on intelligent transportation, integration of transportation and energy, and expressway-related economy, give full play to advantages of resources along expressways, and plan to cultivate new points of industrial growth; accelerate the process of digitalization, promote the inclusion of data assets into the statement of financial position, and strive to improve the transformation and industrialization capacity for innovation results, so as to empower high-quality development through digital and intelligent technology.

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### **About Zhejiang Expressway Co., Ltd.**

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEX code: 0576.HK) 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 also carries out securities business through its subsidiaries. Its subsidiary Zheshang Securities Co., Ltd. has been listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878.SH).

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

For further information, please contact:

Mr. Tony Zheng / Ms. Florence Yu

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

**Wonderful Sky Financial Group Ltd.**

Elliott Wu

Tel: + 852 3977 1869

Email: zhejiangexpress@wsfg.hk