



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

[FOR IMMEDIATE RELEASE]

**Zhejiang Expressway Announces 2018 Interim Results**

*To become an international investment holdings company with a primary focus on expressway infrastructure investment and operation*

**Financial Highlights**

- Revenue amounted to RMB4,632.30 million, representing a decrease of 0.8% year-on-year
- Profit attributable to owners of the Company amounted to RMB1,812.22 million, representing an increase of 20.0% year-on-year
- Basic earnings per share was RMB41.73 cents, and diluted earnings per share was RMB37.47 cents

(Hong Kong, August 24, 2018) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH) today announced the unaudited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2018 (the “Period”).

During the Period, revenue for the Group was RMB4,632.30 million, representing a decrease of 0.8% over 2017. Profit attributable to owners of the Company was RMB1,812.22 million, representing an increase of 20.0% year-on-year. Basic earnings per share for the Period was RMB41.73 cents (Corresponding period of 2017: RMB34.78 cents), and diluted earnings per share for the Period was RMB37.47 cents (Corresponding period of 2017: RMB34.78 cents). Given the regulatory requirements related to fund transfers out of mainland China, the Directors suggest to adjust dividend policy of the Company and consolidate the interim dividend into the final dividend payment.

**Ms. Luo Jianhu, General Manager of the Company**, said, “During the first half of 2018, driven by the growth in services, consumption, import and export and digital economy, Zhejiang Province’s GDP increased by 7.6% year-on-year, and the province’s overall economy achieved medium-to-high growth momentum. As a result, the traffic volume on the Group’s expressways experienced high organic growth. In terms of securities business, the domestic stock market remained volatile and the domestic bond market was in downturn, which weighed down the revenue of Zheshang Securities. However, under such circumstances, Zheshang Securities has been continuously strengthening its internal controls, optimizing the business structure and



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promoting business development with a view to minimizing the negative impact of the market. Going forward, we will continue to create more value for our shareholders.”

### **Business Review**

During the Period, the traffic volume on the Group’s expressways continued to maintain steady growth, contributed by the stable and rapid growth of Zhejiang Province’s economy. However, as impacted by the market depression, the revenue of Zheshang Securities has fallen, which caused a year-on-year decrease of 0.8% in the Group's revenue. The total revenue of the Group amounted to RMB4,632.30 million, of which RMB3,065.85 million was generated by the five major expressways operated by the Group, representing an increase of 6.9% year-on-year and 66.2% of the total revenue. The total revenue of the securities business amounted to RMB1,513.65 million, representing a decrease of 11.2% year-on-year and 32.7% of the total revenue.

During the Period, the average daily traffic volume in full-trip equivalents along the Group’s Shanghai-Hangzhou-Ningbo Expressway was 35,999, representing an increase of 9.4% 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 63,699, representing an increase of 13.7% year-on-year, and that along the Hangzhou-Ningbo Section was 58,282, representing an increase of 9.2% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsans Expressway was 31,177, representing an increase of 4.2% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 20,400, representing an increase of 3.7% year-on-year. Average daily traffic volume in full-trip equivalents along the Hanghui Expressway was 19,517, representing an increase of 11.4% year-on-year. Average daily traffic volume in full-trip equivalents along the Huihang Expressway was 8,802, representing an increase of 10.2% year-on-year.

During the Period, total toll revenue from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsans Expressway, the 70km Jinhua Section of the Ningbo Jinhua Expressway, the 122km Hanghui Expressway and the 82km Huihang Expressway was RMB3,065.85 million, representing an increase of 6.9% year-on-year. Within this, toll revenue from the Shanghai-Hangzhou-Ningbo Expressway was RMB1,930.87 million, representing an increase of 8.4% year-on-year; toll revenue from the Shangsans Expressway was RMB616.61 million, representing an increase of 1.2% year-on-year; toll revenue from the Jinhua Section of the Ningbo-Jinhua Expressway was RMB184.33 million, representing an increase of 3.8% year-on-year; toll revenue from the Hanghui Expressway was RMB259.85 million, representing



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an increase of 12.0% year-on-year; and toll revenue from the Huihang Expressway was RMB74.17 million , representing an increase of 8.4% year-on-year.

For the securities business, the domestic stock market remained volatile and the domestic bond market was in downturn, in spite of a year-on-year increase of 1.41% in trading volume across the Shanghai and Shenzhen stock markets. In addition, the average commission rate for the traditional brokerage business remained at a low level, which weighed down the revenue of Zheshang Securities. During the Period, except for a modest increase in interest income, Zheshang Securities' other businesses recorded varied levels of revenue decreases year-on-year.

During the Period, Zheshang Securities recorded total revenue of RMB1,513.65 million, a decrease of 11.2% year-on-year. Within this, commission and fee income declined 22.5% year-on-year to RMB809.21 million, and interest income derived from the securities business was RMB704.45 million, representing an increase of 6.5% year-on-year. Securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income was RMB142.05 million (Corresponding period of 2017: securities investment gains of RMB370.30 million).

### **Outlook**

In the first half of 2018, China's economy was shifting from high-speed growth to high-quality development. In particular, the service sector in Zhejiang Province continued to grow rapidly, with the digital economy leading a cycle of "industrial upgrading". Although adverse external factors such as intensified international trade friction and rising trade protectionism have increased, China's macro economy and regional economies are still expected to develop rapidly in the second half of 2018. It is expected that overall traffic volume on the major expressway sections of the Group will keep year-on-year growth in the second half of this year, but the growth rate will slow compared with the first half.

**Ms. Luo** concluded, "Looking ahead to the second half of 2018, the management of the Company will leverage its competitive advantages, strengthen existing businesses and explore potential developments, continue to strengthen its core expressway business, improve the performance of the securities and financial business, and seek opportunities to invest in suitable projects through multiple channels in order to further increase the scale of the overall business and improve future profitability."

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**About Zhejiang Expressway Co., Ltd**

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH) established a corporate vision that calls for it to be “an international investment holdings company with a primary focus on expressway infrastructure investment and operation”. The Company and its subsidiaries have concession rights to operate the Shanghai-Hangzhou-Ningbo Expressway, the Shangsang Expressway and the Huihang Expressway for a period of 30 years, as well as the Jinhua Section of the Ningbo-Jinhua Expressway and the Hanghui Expressway for a period of 25 years. The Company and its subsidiaries also operate the securities business, acting as the controlling owner of the A-share-listed Zheshang Securities and participating in a series of financial investment projects at a minority stake.

For further information, please contact:

**Zhejiang Expressway Co., Ltd.**

Mr. Tony Zheng / Ms. Helen Wu

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

**Christensen**

Mr. Ricky Tan

Tel: (852) 2232 3941

Mob: (852) 6605 9808

Email: [Rtan@christensenir.com](mailto:Rtan@christensenir.com)