



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

2023 Annual Results

Stock Code: 0576

*Empowering with Intelligent Technology
and Rebuilding Value*

Agenda

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Result Highlights

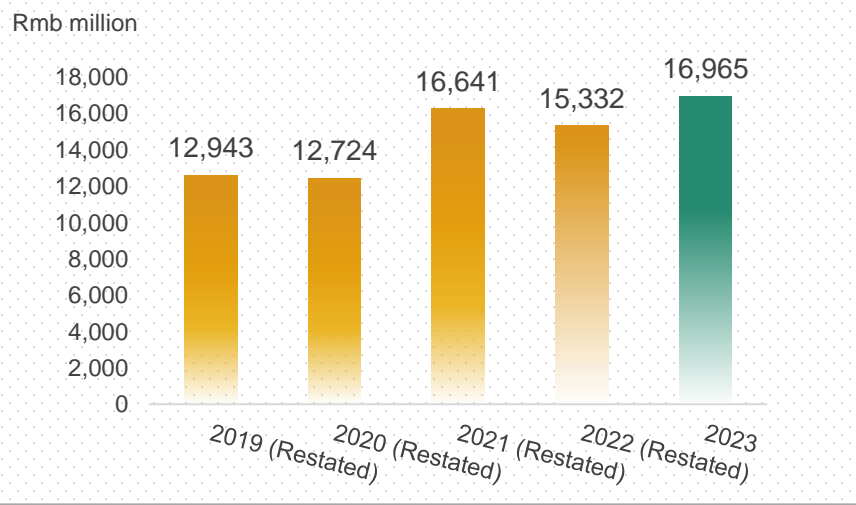
Result Highlights

Results <i>Rmb '000</i>	2023	2022 Restated	%Change
Revenue	16,965,024	15,331,777	10.7%
-- Including: Interest income under effective interest method	2,452,400	2,390,436	2.6%
Operating costs	(9,765,685)	(9,365,125)	4.3%
Gross profit	7,199,339	5,966,652	20.7%
Securities investment gains	1,024,960	679,734	50.8%
Other income and gains and losses	907,870	2,102,751	-56.8%
Administrative expenses	(183,981)	(177,405)	3.7%
Other expenses	(125,190)	(125,349)	-0.1%
Impairment losses under expected credit loss model, net of reversal	(30,624)	(11,785)	159.9%
Share of profit of associates	1,056,247	752,086	40.4%
Share of profit of a joint venture	107,046	49,771	115.1%
Finance costs	(2,104,129)	(1,894,394)	11.1%
Profit before tax	7,851,538	7,342,061	6.9%
Income tax expense	(1,229,208)	(1,039,051)	18.3%
Profit for the year	6,622,330	6,303,010	5.1%
-- Attributable to owners of the Company	5,223,679	5,178,666	0.9%
-- Attributable to non-controlling interests	1,398,651	1,124,344	24.4%
EPS (basic) <i>(Rmb cents)</i>	112.95	113.72	-0.7%
EPS (diluted) <i>(Rmb cents)</i>	105.32	108.33	-2.8%

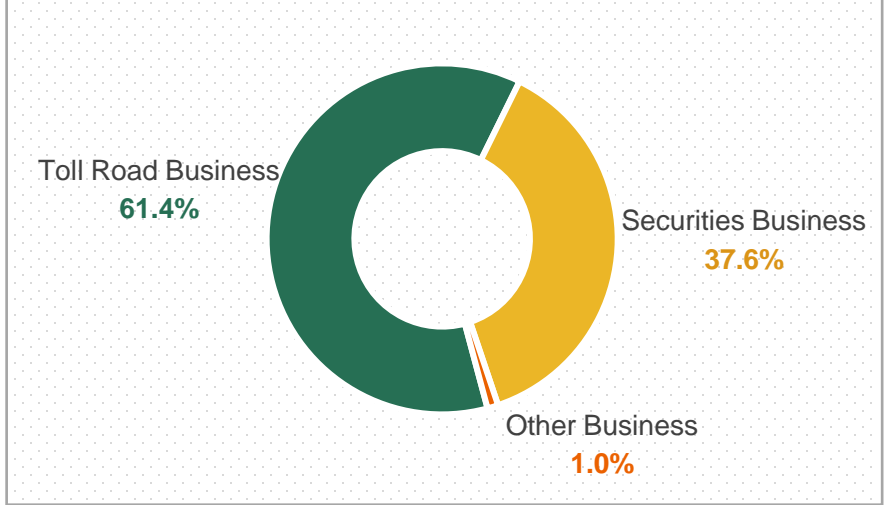
Result Highlights– Revenue



Revenue



Revenue Breakdown

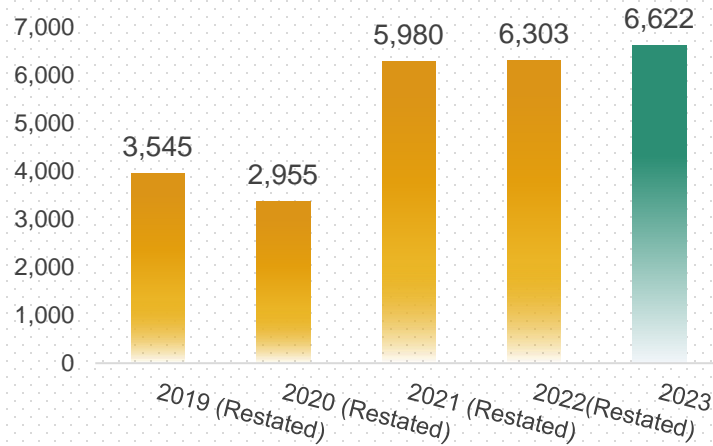


Overall revenue for the Group was Rmb **16,965.02 million**, an increase of **10.7 % y-o-y**

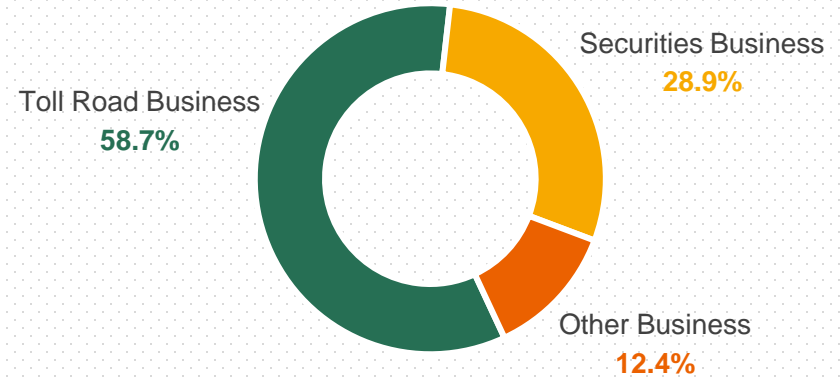
Result Highlights– Net Profit

Net Profit

Rmb million



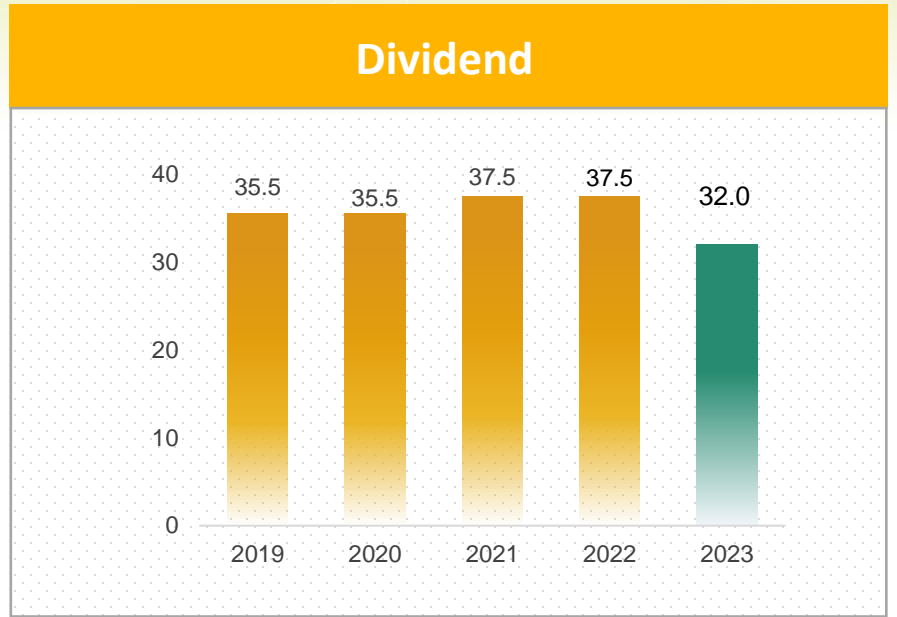
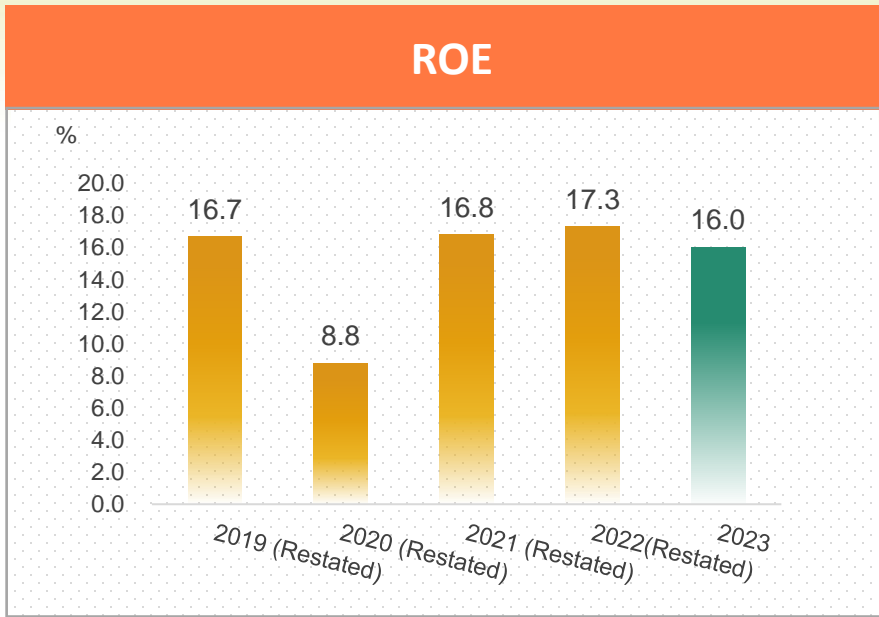
Net Profit Breakdown



2023 EPS (basic/diluted): Rmb 112.95 cents / Rmb 105.32 cents



Result Highlights— ROE & Dividend



To provide shareholders with stable return in the long run





Review of Operations



2023 Market Review

Economy

- China GDP growth: **5.2%**
- Zhejiang GDP growth: **6.0%**. Zhejiang Province's service sector grew strongly, consuming potential continued to unleash, and the scale of effective investment expanded.

Capital Review

- Global inflation remained high and difficult to alleviate, while the international landscape continued to evolve in a complex manner.
- China's economic development still faces challenges brought by cyclical and structural problems, as well as multiple internal and external factors that have led to a lack of investor confidence and a decline in trading activity, as well as downward volatility in the capital market.

Various factors affected

Positive factors:

- After the easing of the pandemic prevention and control policy, there was a significant increase in trip demand;
- A policy by the government of Lin'an District of Hangzhou to pay tolls for Zhejiang A-plate Class I ETC passenger vehicles traveling certain section of Hanghui Expressway.

Negative factors:

- The sluggish recovery of the world economy and the slowdown in global trade and investment has resulted in a weaker-than-expected recovery in freight demand;
- The Hangzhou-Shaoxing-Taizhou Expressway continued to divert the traffic volume on Shangsans Expressway;
- The relevant sections of the Shanghai-Hangzhou-Ningbo Expressway was under traffic control during the Hangzhou Asian Games;
- The implementation of a 50% discount on the toll for yellow-plate trucks on the Zhajiasu Expressway had a negative impact on the traffic volume and toll revenue during such period.

	Daily traffic volume (full-trip equivalent)	y-o-y change	Toll revenue (Rmb million)	y-o-y change
Shanghai-Hangzhou-Ningbo Expressway	88,721	31.80%	4,901.17	23.4%
Shangsans Expressway	32,723	19.50%	1,094.65	11.2%
Ningbo-Jinhua Expressway (Jinhua Section)	33,710	26.26%	557.16	19.5%
Hanghui Expressway	29,073	25.57%	737.35	24.2%
Huihang Expressway	12,721	47.43%	193.73	44.0%
Zhoushan Bay Bridge	30,216	48.49%	1,201.58	45.2%
LongLiLiLong Expressway	15,082	16.49%	756.41	12.5%
Zhajiasu Expressway	41,488	31.83%	477.04	22.4%
HuangQuNan Expressway	11,613	24.62%	504.76	16.6%

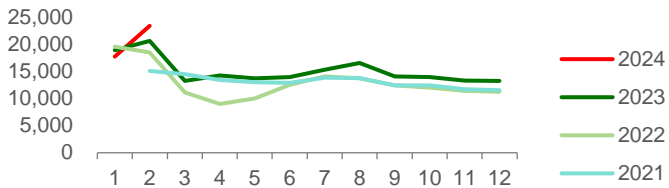
Revenue from toll operation increased 14.63% to Rmb 10,423.83 million



LongLiLiLong Expressways

Average Full-trip Equivalents/day: **15,082**

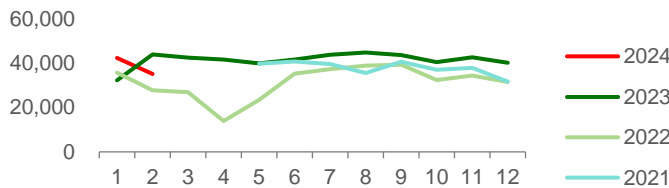
16.49%



Zhajiasu Expressway

Average Full-trip Equivalents/day: **41,488**

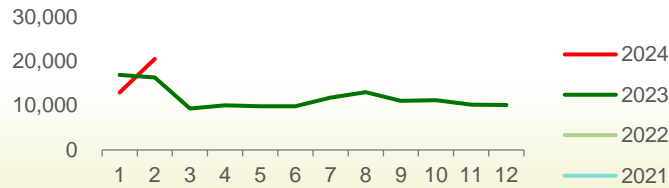
31.83%



HuangQuNan Expressway

Average Full-trip Equivalents/day: **11,613**

24.62%



Across the Pandemic



	2023	2019	%Change
Total traffic volume	88,721	63,772	39.12%
Passenger vehicles traffic volume	63,685	44,828	42.07%
Truck traffic volume	25,036	18,944	32.16%
Ratio of passenger vehicles to truck traffic volume	72:28	70:30	/



Operation & Management

1

Completed the transportation assurance services for the Hangzhou Asian Games in a high-quality manner.

2

Piloted intelligent patrol equipment

3

Completed the alleviation of congestion on high-traffic sections of the Shanghai-Hangzhou-Ningbo Expressway.

4

Actively advanced market-oriented measures to attract traffic and increase revenue.

5

Achieved industrial implementation of intelligent expressways technology.

Looking back at 2023, the comprehensive strength of the Group's core expressway business continued to improve

Securities Business



- During the Period, Zhesang Securities recorded total revenue of Rmb6,372.29 million, representing an increase of 4.8% year-on-year;
- Commission and fee income increased 6.2% year-on-year to Rmb3,919.89 million, and interest income from the securities business was Rmb2,452.40 million, representing an increase of 2.6 % year-on-year;
- In addition, securities investment gains of Zhesang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb1,024.96 million (2022: Rmb679.73 million).

(Rmb million)	2023	2022	%change
Commission & fee income	3,919.89	3,689.95	6.2%
Interest income	2,452.40	2,390.43	2.6%
Securities investment gains	1,024.96	679.73	50.79%



Revenue from securities business increased 4.8% to Rmb 6,372.29 million



Hotel Operations Revenue

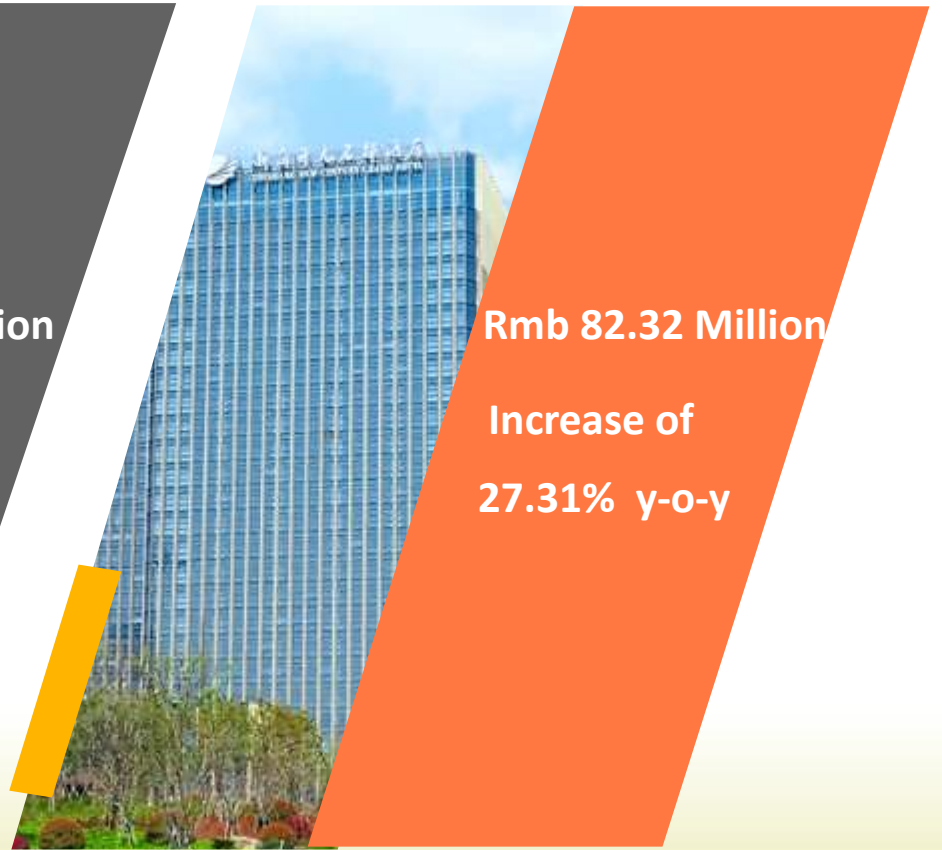
Zhejiang Grand Hotel



Rmb 41.76 million

Increase of
77.78% y-o-y

Grand New Century Hotel



Rmb 82.32 Million

Increase of
27.31% y-o-y

Long-term Investments

Joint Venture

Zhejiang Shaoxing Shengxin Expressway Co., Ltd.

- Daily traffic volume: increased **21.63%** y-o-y to **29,986** in full-trip equivalents
- Toll revenue: Rmb **536.65** million
- Net profit: Rmb **164.28** million

Associate

Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership)

- Primarily engaged in equity investments, investment management and investment consultation
- Net profit of the associate attributable to the Company: Rmb 66.17 million

Associate

Zhejiang HangNing Expressway Co., Ltd.

- Owns the 99km HangNing Expressway
- Net profit : Rmb **486.60** million

Associate

Shanghai Rural Commercial Bank Co., Ltd.

- Listed on the Shanghai Stock Exchange on August 19, 2022
- This associate has not announced its 2023 annual results.

Associate

CICC-Zhejiang Expressway-Shenjiahuhang asset-backed special program

- Owns the Shenjiahuhang Expressway with a total length of 93km.
- During the Period, the Special Program recorded a book loss of Rmb 141.90 million.

Associate

Yangtze United Financial Leasing Co., Ltd.

- Primarily engaged in finance leasing, transferring and receiving financial leasing assets, fixed-income securities investment businesses, and other businesses approved by the NFRA
- Net profit: Rmb **645.30** million

Associate

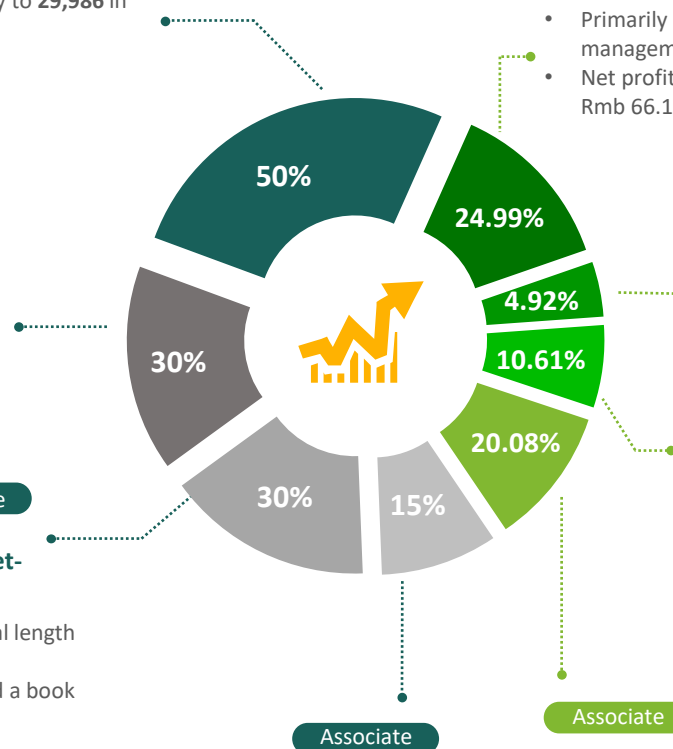
Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd.

- Operates the Wenzhou section of the YongTaiWen Expressway with a total length of 139 km.
- During the Period, the associate company achieved a net profit of Rmb **282.10** million.

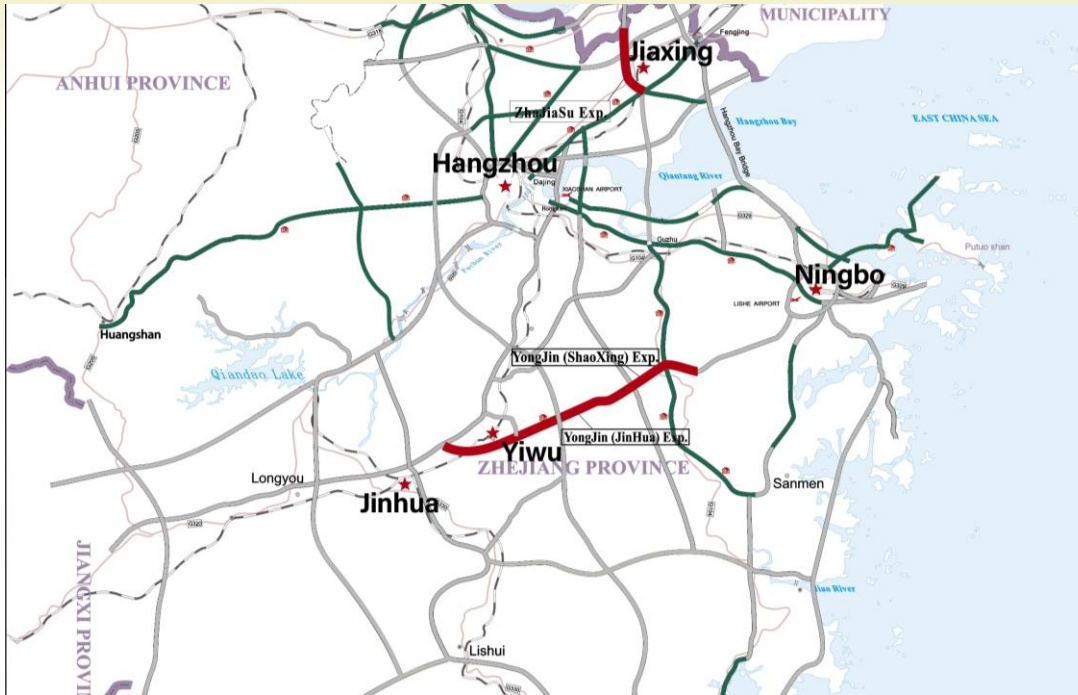
Associate

Zhejiang Communications Investment Group Finance Co., Ltd.

- Derives income mainly from interest, fees and commissions for providing financial services
- Net profit: Rmb **818.65** million



Investment, Mergers & Acquisitions




Acquired **60%** equity of **Hunan Yonglan Expressway Co., Ltd** (owning **145km Yonglan Expressway**)





- Further expanding its strategic layout in core highway locations.



Further expanding strategic layout in core highway locations.

 Won the bid for investment in reconstruction and expansion projects of the Shaoxing section and Jinhua section of **Ningbo-Jinhua Expressway** as well as **Zhajiasu Expressway**.

 Acquired all equity of **HuangQuNan Co** (owning **161km HuangQuNan Expressway**)

 Acquired 15% equity of **Wenzhou YongTaiWen Co** (owning **139km Wenzhou section of YongTaiWen Expressway**)

Further expanding core business in highways

Financing



The Group has completed the H-share and domestic share offering which was oversubscribed, with the valid applications and acceptances representing approximately **614.63%** of the total number of subscriptions for the H Share Rights Issue. And has raised a total of approximately

RMB 6.15 billion

Asset-Liability Ratio



(Excluding the effect of customer deposits arising from the securities business)



Outlook & Growth Strategies



Looking ahead to 2024, with the introduction and implementation of various policies of ensuring stability in expectations, growth, and employment.

It is expected that the Chinese economy will continue to stabilize and rebound in 2024.

Market situation

Growth Prospects

The overall traffic volume and toll revenue of the expressways under the Group are expected to achieve stable growth.

Growth Strategies



Profit-centered

- Initiate specific action plan to reduce costs;
- Improve quality and efficiency, increase preventive maintenance;
- Innovate maintenance technologies to enhance low-cost operational capabilities.

Brand-centered

- Continue to expand the service essence of its business brand;
- Accelerate the completion of standardized post-investment management manuals for private-owned expressways;
- Enhance market-oriented management capabilities.

Service-centered

- Leverage the function of intelligent expressways to predict and effectively control traffic flow;
- Improve safety and smooth capacity.

Focus on performance improvement of core expressway businesses

Q&A



Appendices



Appendix I

– Statement of Financial Position

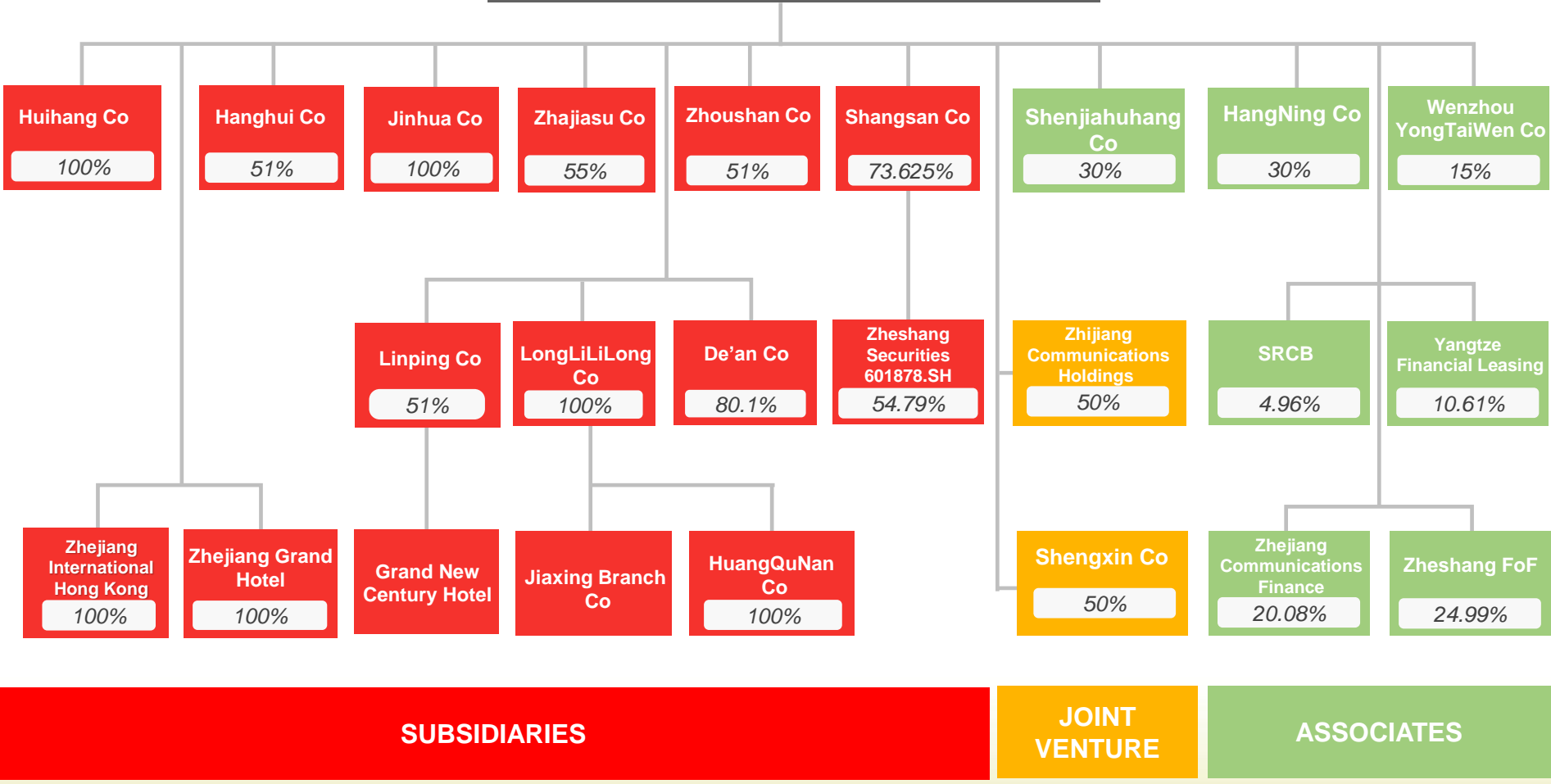
<i>(Rmb million)</i> <i>As at the end of the year</i>	2023	2022 Restated	%Change
Bank balances, clearing settlement fund, deposits and cash	28,199.63	24,263.98	16.2%
Financial assets at fair value through profit or loss	41,918.64	43,999.38	-4.7%
Total assets	207,733.80	190,861.41	8.8%
Total liabilities	147,328.69	141,561.20	4.1%
Total debt	129,221.64	128,362.35	0.7%
Debt to equity (%)	213.9%	260.4%	-17.9%
Total liabilities to total assets (%)	70.9%	74.2%	-4.4%

Appendix II

– Organization Chart

As of 25 March 2024

Zhejiang Expressway Co., Ltd.
576.HK



Appendix III

- Expressway Map of Zhejiang Province

