



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

股份代碼 Stock Code: 0576.HK

2024 Interim Results

*Empowering with Intelligent Technology
and Rebuilding Value*



Agenda



01 Result Highlights

02 Review of Operations

03 Outlook & Growth Strategies

04 Appendices

An aerial, high-angle view of a long suspension bridge stretching across a vast blue body of water. The bridge's structure, including its towers and numerous vertical hangers, is visible. The water is a deep blue, and the sky is a lighter, hazy blue. The bridge's shadow is cast onto the water. The text 'Result Highlights' is centered in the upper half of the image, flanked by two horizontal orange lines.

Result Highlights

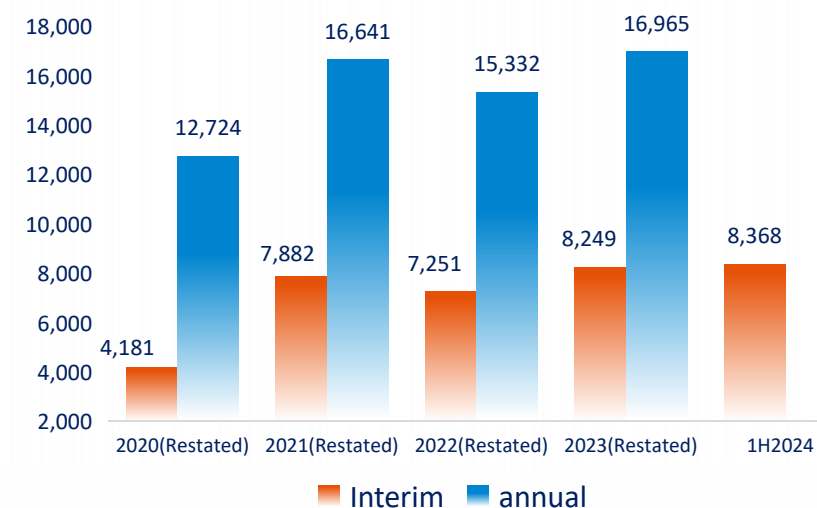
Result Highlights

Results <i>Rmb '000</i>	1H2024	1H2023 Restated	%Change
Revenue	8,367,599	8,249,221	1.4%
-- Including: Interest income under effective interest method	1,196,922	1,184,455	1.1%
Operating costs	(4,681,165)	(4,784,670)	-2.2%
Gross profit	3,686,434	3,464,551	6.4%
Securities investment gains	574,768	885,857	-35.1%
Other income and gains and losses	446,564	80,759	453.0%
Administrative expenses	(57,646)	(65,315)	-11.7%
Other expenses	(64,638)	(43,829)	47.5%
Impairment losses under expected credit loss model, net of reversal	(29,664)	(60,415)	-50.9%
Share of profit of associates	505,922	577,254	-12.4%
Share of profit of a joint venture	3,969	32,876	-87.9%
Finance costs	(909,955)	(972,072)	-6.4%
Profit before tax	4,155,754	3,899,666	6.6%
Income tax expense	(811,948)	(625,906)	29.7%
Profit for the year	3,343,806	3,273,760	2.1%
-- Attributable to owners of the Company	2,680,010	2,558,492	4.7%
-- Attributable to non-controlling interests	663,796	715,268	-7.2%
EPS (basic) (Rmb cents)	44.72	56.18	-20.4%
EPS (diluted) (Rmb cents)	44.04	53.96	-18.4%

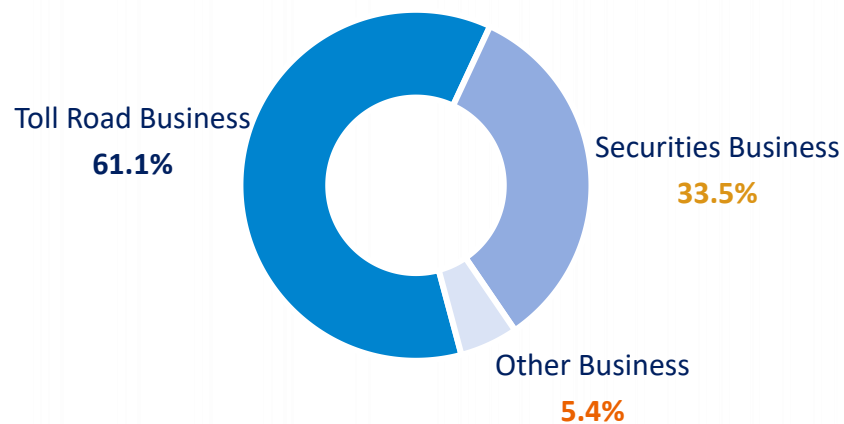
Result Highlights– Revenue

Revenue

Rmb million



Revenue Breakdown

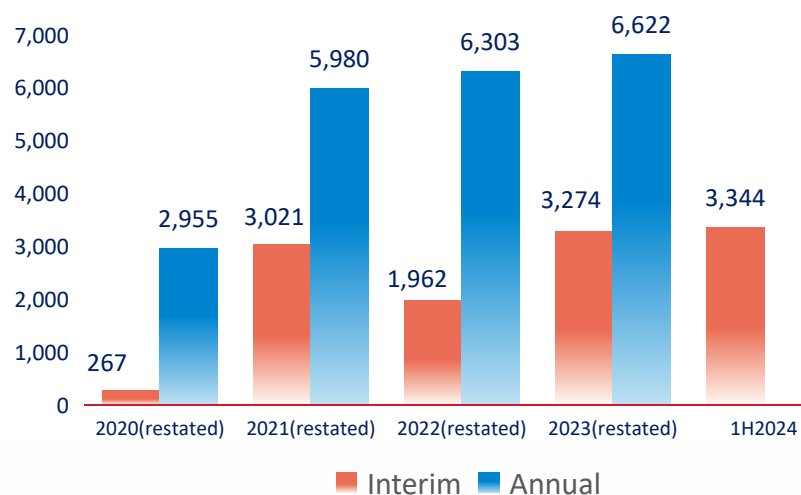


Overall revenue for the Group was Rmb 8,367.60 million, an increase of 1.4% y-o-y

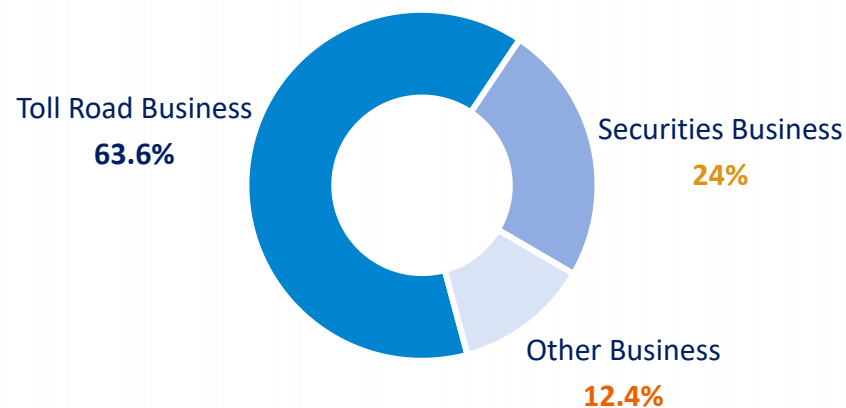
Result Highlights– Net Profit

Net Profit

Rmb million



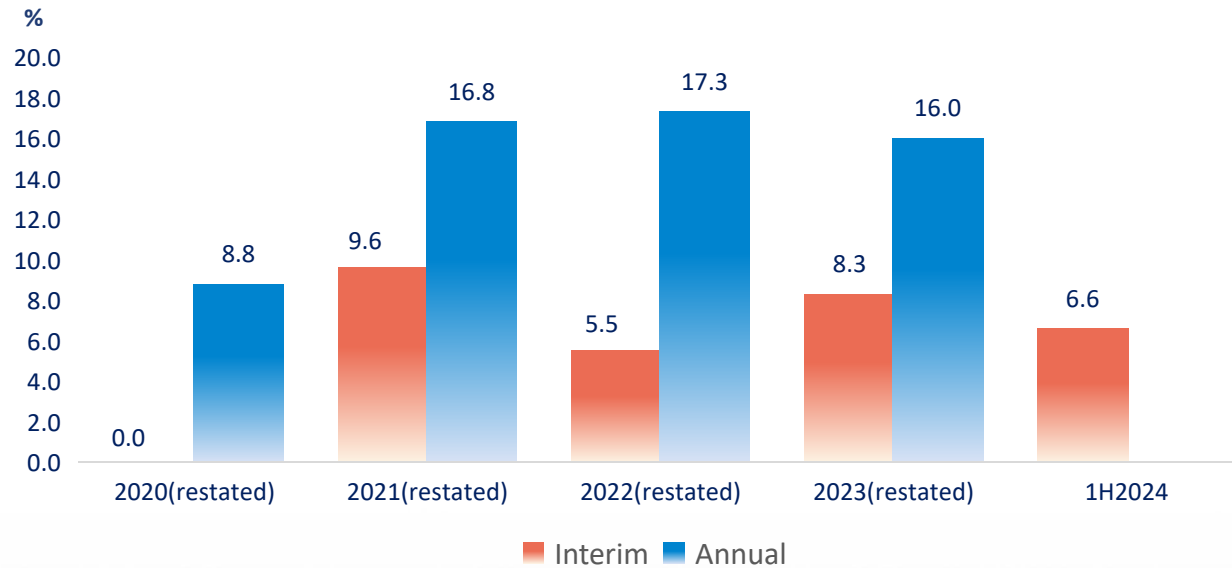
Net Profit Breakdown



EPS (basic/diluted): Rmb 44.72 cents / Rmb 44.04 cents

Result Highlights– ROE

ROE



To provide shareholders with stable return in the long run



An aerial, high-angle view of a long suspension bridge stretching across a wide body of water. The bridge features two main towers and numerous vertical hangers. The road surface is dark, and there are several vehicles visible on the bridge. The water is a deep blue, and the sky is a lighter blue. The text "Review of Operations" is overlaid in the center in a bold, orange font, flanked by two horizontal orange lines.

Review of Operations

1H2024 Market Review

- With a complicated external environment, domestic capital market experienced drastic fluctuations.
- Average daily turnover of A shares declined, scale of IPO and refinancing shrank significantly.



- China's economic operation was generally stable, with the GDP growing by 5.0% y-o-y in the 1H 2024.
- Zhejiang Province's rapid growth in foreign trade, continued activity in new forms of consumption such as digital consumption boosted the growth of the Province's GDP by 5.6% y-o-y.

Various factors affected

Positive factors:

- Macro economy maintained a momentum of steady recovery;
- Total import and export of goods in Zhejiang Province increased by 7.8% y-o-y, leading to growth of trucks by 5.3% y-o-y;
- Development of Zhoushan industrial park and related construction nearby led to an increased freight transport demand, which was conducive to growth of trucks on Zhoushan Bay Bridge.

Negative factors:

- Growth of passenger vehicles slowed down when travel consumption returned to normal;
- Toll collection duration for passenger cars decreased by 3 days y-o-y, alongside with abnormal rainy or snowy weather;
- Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway, Hangzhou-Ningbo Expressway Parallel Line Phase I, and Ningbo-Jinhua Railway opened to traffic, leading to a certain diversion of Hangzhou-Ningbo Expressway, Zhoushan Bay Bridge, and Ningbo-Jinhua Expressway.

	Daily traffic volume (full-trip equivalent)	y-o-y change (%)	Toll revenue (Rmb million)	y-o-y change (%)
Shanghai-Hangzhou-Ningbo Expressway	89,094	2.62%	2,380.73	1.0%
Shangsan Expressway	33,779	3.43%	550.38	4.4%
Ningbo-Jinhua Expressway (Jinhua Section)	33,547	1.35%	269.26	1.9%
Hanghui Expressway	29,501	1.81%	354.21	0.3%
Huihang Expressway	13,108	-0.76%	101.40	-0.3%
Zhoushan Bay Bridge	29,328	3.66%	570.78	3.7%
LongLiLiLong Expressway	16,518	4.89%	387.12	2.9%
Zhajiasu Expressway	41,886	3.93%	236.71	4.6%
HuangQuNan Expressway	12,895	7.53%	261.98	5.4%

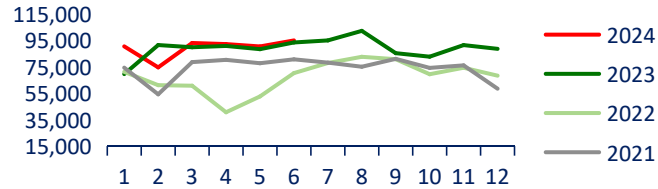
Revenue from toll operation increased 2.2% to Rmb 5,112.57 million

Toll Road Business— Daily Traffic Volume

▲
2.62%

Shanghai-Hangzhou-Ningbo Expressway

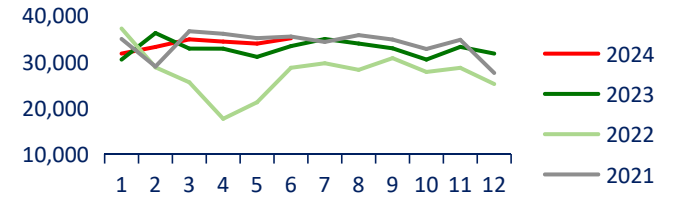
Average Full-trip Equivalents/day: 89,094



▲
3.43%

Shangsan Expressway

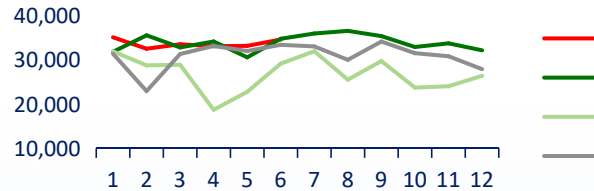
Average Full-trip Equivalents/day: 33,779



▲
1.35%

Ningbo-Jinhua Expressway (Jinhua Section)

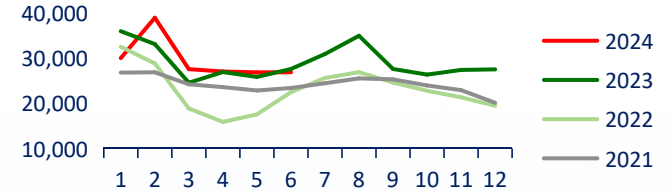
Average Full-trip Equivalents/day: 33,547



▲
1.81%

Hanghui Expressway

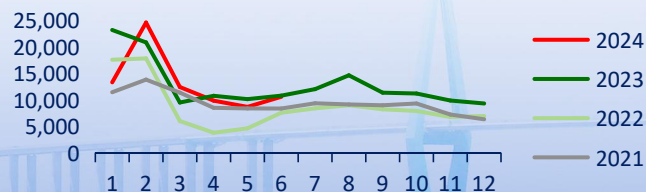
Average Full-trip Equivalents/day: 29,501



▼
-0.76%

Huihang Expressway

Average Full-trip Equivalents/day: 13,108



▲
3.66%

Zhoushan Bay Bridge

Average Full-trip Equivalents/day: 29,328

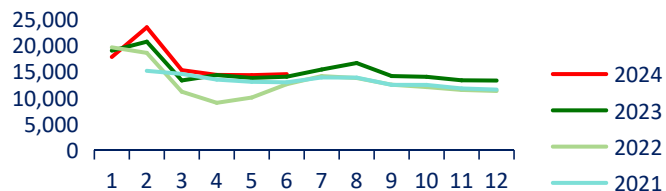


Toll Road Business— Daily Traffic Volume

▲
4.89%

LongLiLiLong Expressways

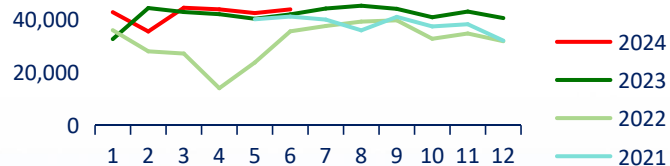
Average Full-trip Equivalents/day : 16,518



▲
3.93%

Zhajiasu Expressway

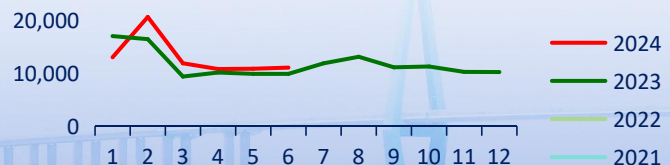
Average Full-trip Equivalents/day : 41,886



▲
7.53%

HuangQuNan Expressway

Average Full-trip Equivalents/day : 12,895





- Zhesang Securities recorded total revenue of Rmb2,805.94 million, representing a decrease of 11.2% y-o-y;
- Commission and fee income decreased 18.6% y-o-y to Rmb1,609.01million; interest income from the securities business was Rmb1,196.92 million, representing an increase of 1.1 % y-o-y.
- Securities investment gains of Zhesang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb574.77 million.

(Rmb million)	1H2024	1H2023	%change
Commission & fee income	1,609.01	1,976.91	-18.6%
Interest income	1,196.92	1,184.46	1.1%
Securities investment gains	574.77	885.86	-35.1%



Revenue from securities business decreased 11.2% to Rmb 2,805.94 million

Long-term Investments

<p>Joint Venture</p> <ul style="list-style-type: none"> Daily traffic volume: increased 2.59% y-o-y to 29,998 in full-trip equivalents Toll revenue: Rmb 264.21 million Net profit: Rmb 79.83 million <p>50%</p>	Zhejiang Shaoxing Shengxin Expressway Co., Ltd.
<p>Joint Venture</p> <ul style="list-style-type: none"> Owns the 145km Yonglan Expressway Net loss : Rmb 71.89 million <p>50%</p>	Zhejiang Zhijiang Communications Holdings Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> Owns the 99km HangNing Expressway Net profit : Rmb 253.15 million <p>30%</p>	Zhejiang HangNing Expressway Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> Owns the Shenjiahuhang Expressway with a total length of 93km A net loss of Rmb 40.09 million <p>30%</p>	CICC-Zhejiang Expressway-Shenjiahuhang asset-backed special program
<p>Associate</p> <ul style="list-style-type: none"> Operates Wenzhou section of YongTaiWen Expressway with a total length of 139 km A net profit of Rmb 134.09 million <p>15%</p>	Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> Derives income from interest, fees and commissions for providing financial services Net profit: Rmb 215.16 million <p>20.08%</p>	Zhejiang Communications Investment Group Finance Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> 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 335.27 million <p>10.61%</p>	Yangtze United Financial Leasing Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> Primarily engaged in the commercial banking business, including deposits, short-, medium-, and long-term loans, domestic and overseas settlements and other businesses that are approved by the NFRA Net profit attributable to the owners: Rmb 6,962.85 million <p>4.96%</p>	Shanghai Rural Commercial Bank Co., Ltd.
<p>Associate</p> <ul style="list-style-type: none"> Primarily engaged in equity investments, investment management and investment consultation Net loss of the associate attributable to the Company: Rmb 8.59 million <p>24.99%</p>	Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership)

Mergers & Acquisitions



Yonglan Expressway, 145 KM, a segment of the national highway G55 (Erenhot–Guangzhou Expressway) located in Yongzhou, Hunan Province, is an important part of the main framework of Hunan’s “Five Verticals and Seven Horizontals” expressway network.

Opened to traffic in December 2012 and December 2014 for different sections. It is a mature project with advantageous location, which is conducive to enhancing business performance.

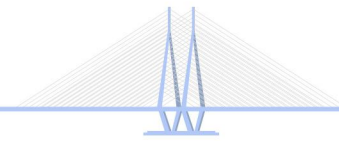


Acquired 60% equity interest in Yonglan Expressway in 2023.

Completed the acquisition of the remaining 40% equity interest in January 2024.

Further expand the layout of core business

Outlook & Growth Strategies



Looking ahead to 2H 2024, the government will adhere to the general principle of seeking progress while maintaining stability, make greater efforts to stimulate market's vitality and inherent momentum, so as to consolidate and enhance economic upturn momentum.

Market Situation

Growth Prospects

On the premise that macro-economy continues to improve, overall traffic volume and toll revenue of the Group's expressways are expected to achieve continued growth.





Profit-centered

Improve operating efficiency, promote cost reduction and efficiency enhancement

- Devote greater effort in “discounts for designated trips” for trucks, “expressway + tourism” and other activities
- Implement cost quota management, independent operation and maintenance of toll station electromechanical equipment

Service-centered

Unimpeded expressways for better travel

- Deepen the management of congested sections
- Promote intensive construction at night and the application of preventive maintenance technology

Brand-centered

Strengthen the brand to enhance influence

- Introduce groups and enterprises standards related to expressway operation and management, and strengthen the feedback on the implementation of the standardized manual for the operation and management of Yonglan Expressway
- Form a recognizable brand system, technical system and management standards

Focus on performance improvement of core expressway businesses



Q&A

A long suspension bridge stretches across a vast blue body of water under a clear sky. The bridge features multiple lanes of traffic and is supported by tall towers and numerous vertical cables. The perspective is from an elevated angle, looking down the length of the bridge towards the horizon.

Appendices

About Zhejiang Expressway 0576.HK

Zhejiang Expressway is a listed company principally engaging in investing in, developing and operating of high-grade roads as well as securities business. The Company was incorporated on March 1, 1997, and listed on the Hong Kong Stock Exchange in May of the same year. It is the first state-controlled company from Zhejiang Province to list abroad, and the only outbound-listed company affiliated with the Zhejiang Province engaged in investment and operation of expressways. The securities business is carried out by its subsidiary Zhesang Securities, which was listed on the Shanghai Stock Exchange (Stock Code: 601878.SH) in June 2017.



The first state-owned transportation infrastructure platform in China to receive **A+ rating from Fitch and A rating from S&P.**



1,691 kilometers of equity mileage, accounting for nearly **1/3** of the total expressway mileage in Zhejiang Province



Ranked first in asset size, revenue, and profitability among outbound-listed expressway companies in China.
2023 revenue: Rmb 17 billion



Ranked first in the industry for **4 consecutive years** in net profit (excluding non-recurring items).
2023 net profit: Rmb 6.6 billion










ROE above 16% for 3 consecutive years, ranking among **the top two in the industry**



81.7% 1H2024 EBITDA Profit rate

Appendix II – Major Corporate Events

-  “Benchmarking Enterprises in the Management Benchmarking Action of Key State-owned Enterprises” of the State-owned Assets Supervision and Administration Commission of the State Council
-  Credit ratings of “A+” and “A” from Fitch and S&P
-  Acquired 55% equity interest in Zhangjiashu Expressway
-  PPP project of Duihekou to Aibuli section of Zhenhai-Anji Road in Deqing County was completed and opened to traffic, with a total length of approximately 14.62 km
-  Issued five-year zero coupon convertible bonds in amount of Euro230 million
-  Launched “Zheshang Securities Shanghai-Hangzhou-Ningbo-Hanghui Expressway Closed-end Infrastructure Securities Investment Fund”, raising Rmb 4.36 billion, as one of the first batch of infrastructure public REITs in China
-  Issued five-year bonds in amount of USD470 million, at interest rate of 1.638% per annum




2020




2021

2022




2023

2024

-  Entrusted to operate and manage Huzhou section of Hangzhou Ring Road West Parallel Expressway
-  Acquired 30% equity interest in HangNing Company
-  Acquired 100% interest in LongLiLiLong Company

-  Entrusted to operate and manage Zhoudai Bridge and Fuchimen Bridge of Ningbo Zhoushan Port Main Passage and North Connection of Qianjiang Channel
-  Issued Rmb 1.4 billion mid-term notes at a coupon rate of 2.97% and Rmb 1.6 billion in mid-term notes at a coupon rate of 2.80%
-  Issued the Asset-backed Special Program for the CICC-Zhejiang Expressway-Shenjiahuhang Co of Rmb6.317 billion

-  “Best Investment Value Listed Company” and “Listed Company with Excellent Investor Relationship Management” in the 13th China Securities Golden Bauhinia Award
-  “Best Listed Company at ESG Information Disclosure” from the Hong Kong International ESG Alliance
-  Completed rights issue of H shares and domestic shares, raising gross proceeds equivalent to approximately Rmb6.15 billion
-  Acquired 60% equity interest in Yonglan Company
-  Acquired 100% equity interest in HuangQuNan Company
-  Won the bid for investment in reconstruction and expansion projects of Shaoxing section and Jinhua section of Ningbo-Jinhua Expressway as well as Zhajiasu Expressway

-  Acquired the remaining 40% equity interest in Yonglan Company
-  Early redemption of 202.6 million euros from the 230 million euro zero-coupon convertible bonds due in 2026
-  Entrusted to operate and manage Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway and Hangzhou-Ningbo Expressway Parallel Line Phase I

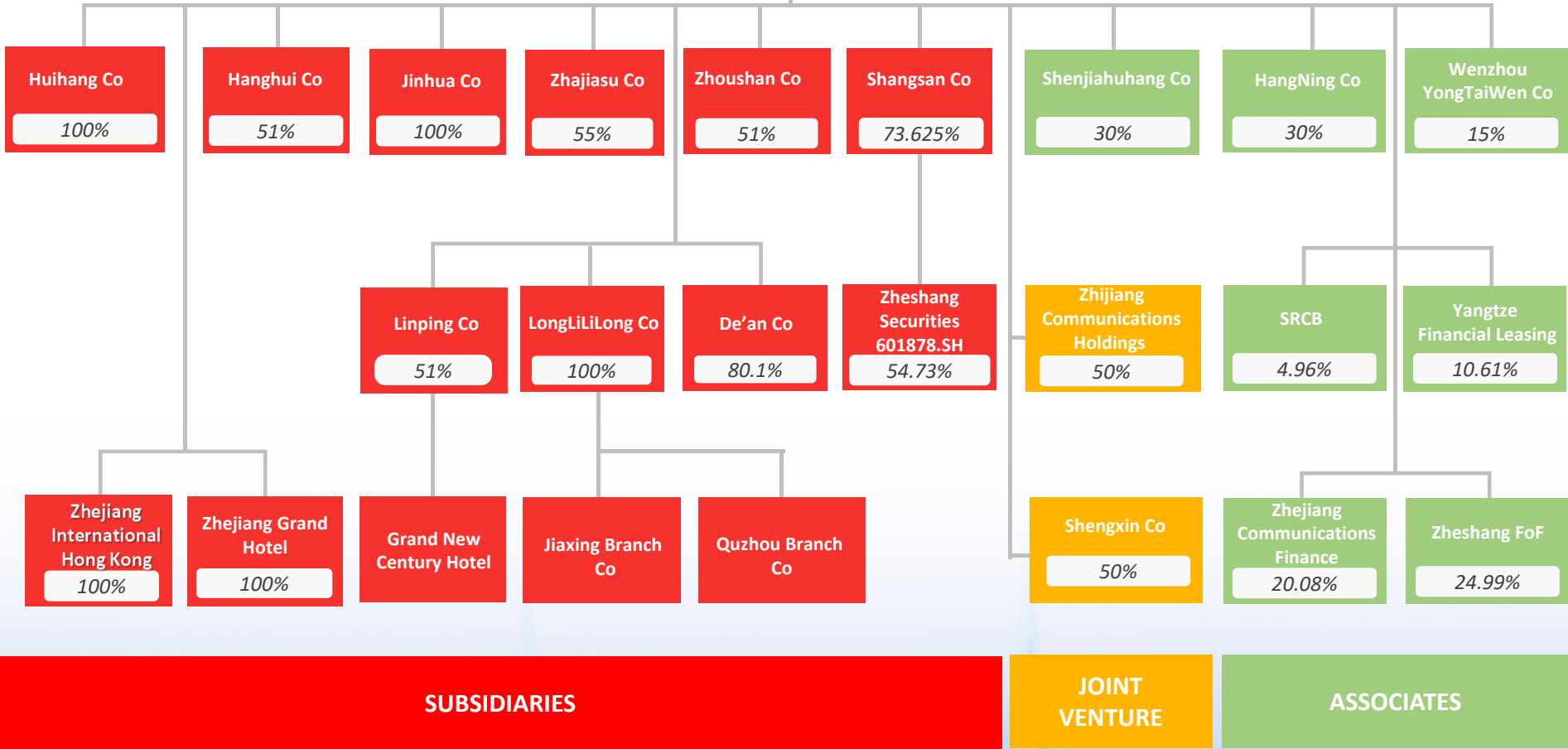
Appendix III – Statement of Financial Position

<i>(Rmb million)</i>	As at 2024/6/30	As at 2023/12/31	%Change
Bank balances, clearing settlement fund, deposits, cash, time deposits	30,967.32	31,248.25	-0.9%
Financial assets at fair value through profit or loss	34,623.89	41,918.64	-17.4%
Total assets	197,508.73	207,733.80	-4.9%
Total liabilities	135,740.32	147,328.69	-7.9%
Total debt	116,521.00	129,221.64	-9.8%
Debt to equity (%)	188.6%	213.9%	-11.8%
Total liabilities to total assets (%)	68.7%	70.9%	-3.1%

Appendix IV – Organization Chart

As of 23 August 2024

Zhejiang Expressway Co., Ltd.
0576.HK



Appendix V- Expressway Map of Zhejiang Province

