


**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 Annual Results Promote High-Quality Development in Stability with Increases in Revenue and Net Profit

### **Financial Highlights:**

- Revenue was Rmb16,965.02 million, representing an increase of 10.7% year-on-year
- Profit attributable to owners of the Company was Rmb5,223.68 million, representing an increase of 0.9% year-on-year
- Basic earnings per share was Rmb112.95 cents, and diluted earnings per share was Rmb105.32 cents
- A dividend of Rmb32.0 cents per share was recommended

(25 March 2024 - Hong Kong) **Zhejiang Expressway Co., Ltd.** (“Zhejiang Expressway” or the “Company”, Stock Code: 0576.HK) announced the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended December 31, 2023 (the “Period”).

During the Period, the Group promoted its high-quality development. Compared to the same period in 2022, the Group’s revenue increased by 10.7% to Rmb16,965.02 million. Profit attributable to owners of the Company amounted to Rmb5,223.68 million, representing an increase of 0.9% year-on-year. The basic earnings per share was Rmb112.95 cents (2022 (restated): Rmb113.72 cents) while diluted earnings per share was Rmb105.32 cents (2022 (restated): Rmb108.33 cents). The board of directors of the Company recommended a dividend of Rmb32.0 cents per share (2022: dividend Rmb37.50 cents per share). The dividend is subject to shareholders’ approval at the Company’s 2023 annual general meeting.

In terms of different business segments, benefiting from the continuous recovery of China’s economy and the low base effect, the toll revenue of the Group’s expressways has seen a significant year-on-year increase. The revenue from the securities business has achieved steady growth against the downtrend of the capital market. During the Period, the revenue from the nine major expressways operated by the Group was Rmb 10,423.83 million (2022 (restated): Rmb9,093.38 million), representing for 61.4% of total revenue. The revenue from the securities business was Rmb6,372.29 million (2022: Rmb6,080.38 million), representing for 37.6% of total

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revenue.

### **The comprehensive strength of core expressway business continued to improve, and toll revenue saw a significant increase**

During the Period, with the steady recovery of China's economy, the overall vehicle volume and toll revenue of the expressways operated by the Group increased significantly compared with the same period last year. The total toll revenue 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 Expressway, the 50km Zhajiasu Expressway, and the 161km HuangQuNan Expressway amounted to Rmb10,423.83 million.

In terms of operation and management, the Group regarded the enhancement of corporate core competitiveness as the key to the development of its core business, and took various measures to comprehensively improve the quality and efficiency of its operation, with the comprehensive strength of its core expressway business continuing to improve. During the Period, the Group completed the transportation safeguard services for the Hangzhou Asian Games in a high-quality manner and further enhanced its brand image; piloted intelligent patrol equipment, strengthened the mechanization level of patrol for road maintenance, and continued to improve the quality of the road conditions; completed the alleviation of congestion on high-traffic sections of the Shanghai-Hangzhou-Ningbo Expressway and other high-traffic sections to ensure smoother public travel; took advantage of the post-pandemic self-drive touring boom and actively advanced market-oriented measures to attract traffic and increase revenue; achieved industrial implementation of intelligent expressways technology and digitalization as well as technological innovation and development continued to accumulate new growth drivers.

### **Based on the listed platform, new breakthroughs achieved in investment, mergers & acquisitions and equity financing**

The Group effectively leveraged its role as a listed investment and financing platform to promote the sustainable development of its core business. During the Period, the Group successfully acquired 100% equity interest of HuangQuNan Co and 15% equity interest of Wenzhou YongTaiWen Co, further expanding its core expressway business. The Company, together with China Merchants Expressway, successfully acquired 60% equity interest of Yonglan Co, further expanding its strategic layout in core expressway locations. The Group also successfully 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, contributing to the sustainable development of its core expressway business. On the other hand, the Company

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promoted equity financing for the first time since its listing on the Hong Kong Stock Exchange and successfully completed rights issue of H shares and domestic shares, raising a total of approximately Rmb6.15 billion proceeds and effectively guaranteeing the capital needs for its ongoing reconstruction and expansion projects.

### **Deepening reform and seeking transformation, securities business grew against the trend**

During the Period, global inflation remained high and difficult to alleviate, while the international landscape continued to evolve in a complex manner. China's economic development faced challenges brought by cyclical and structural problems. Multiple internal and external factors have led to a lack of investor confidence and a decline in trading activity, as well as downward volatility in the capital market. Despite facing many unfavorable factors, Zheshang Securities has been able to fully grasp the development opportunity of comprehensive registration-based IPO system, fully initiate reform and development, comprehensively plan for business transformation, continuously improve compliance risk control levels, and steadily develop all business areas, resulting in an overall performance growth against the trend. Among them, investment banking, futures brokerage, and securities investment business were the main drivers of growth.

During the Period, Zheshang Securities recorded total revenue of Rmb6,372.29 million, representing an increase of 4.8% year-on-year, of which, 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 Zheshang 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).

### **Outlook**

Looking ahead to 2024, with the international environment becoming increasingly complex and severe, China is expected to continue to increase its macro-control efforts. With the implementation of policies, China's economy is expected to continue to stabilize and rebound. Facing the complex domestic and international state of affairs, the Group shall focus on high-quality development, continue to strengthen its core expressways business and improve its securities and financial business. It shall deepen research on policies such as toll collection concession, reconstruction and expansion, and investment and financing to provide strong support for the development of its expressways business. It will also rely on resources along the expressways to expand industries such as expressways-related development and new energy. By strengthening investment through mergers & acquisitions of high-quality expressways projects, the Group will continuously expand its core business. Through systematic planning of expressways

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reconstruction and expansion, it will 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 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).

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

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