

2024 Annual Results

Stock Code: 0576

***Empowering with Intelligent Technology
and Rebuilding Value***





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

Agenda

01

Result Highlights

03

**Reconstruction and
Expansion Project**

05

**Outlook & Growth
Strategies**

02

Business Review

04

**Financial Services
Connected Transactions**

06

Appendix



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Result Highlights

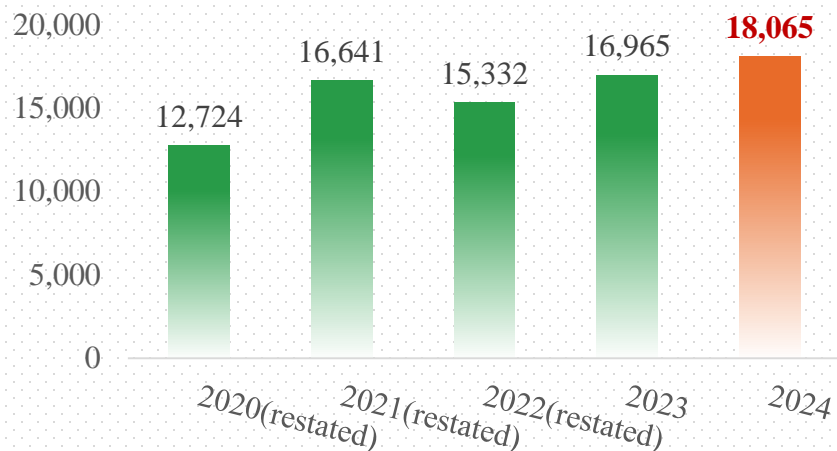
Result Highlights

<i>Result Highlights</i> <small>RMB '000</small>	2024	2023	%Change
Revenue	18,064,824	16,965,024	6.5%
-- Including: Interest income under effective interest method	2,490,359	2,452,400	1.5%
Operating costs	(10,812,360)	(9,765,685)	10.7%
Gross profit	7,252,464	7,199,339	0.7%
Securities investment gains	1,735,120	1,024,960	69.3%
Other income and gains and losses	889,145	907,870	-2.1%
Administrative expenses	(160,894)	(183,981)	-12.5%
Other expenses	(167,289)	(125,190)	33.6%
Impairment losses under expected credit loss model, net of reversal	(19,454)	(30,624)	-36.5%
Share of profit of associates	939,399	1,056,247	-11.1%
Share of profit of joint ventures	130,742	107,046	22.1%
Finance costs	(1,741,651)	(2,104,129)	-17.2%
Profit before tax	8,857,582	7,851,538	12.8%
Income tax expense	(1,701,104)	(1,229,208)	38.4%
Profit for the year	7,156,478	6,622,330	8.1%
-- Attributable to owners of the Company	5,501,588	5,223,679	5.3%
-- Attributable to non-controlling interests	1,654,890	1,398,651	18.3%
EPS (basic) (RMB cents)	91.79	112.95	-18.7%
EPS (diluted) (RMB cents)	90.50	105.32	-14.1%

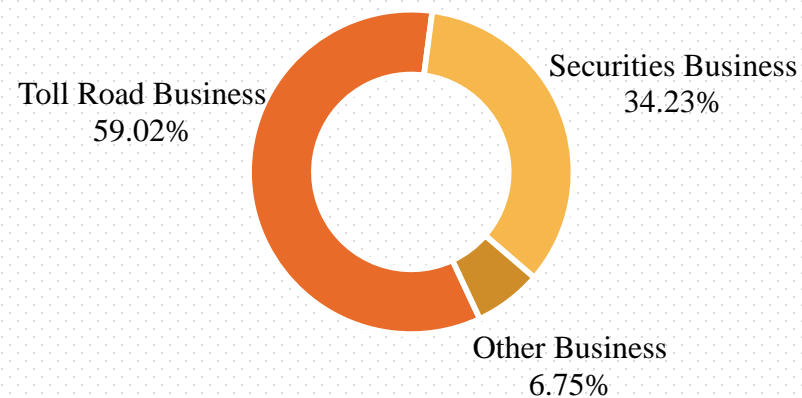
Result Highlights— Revenue

Revenue

RMB million



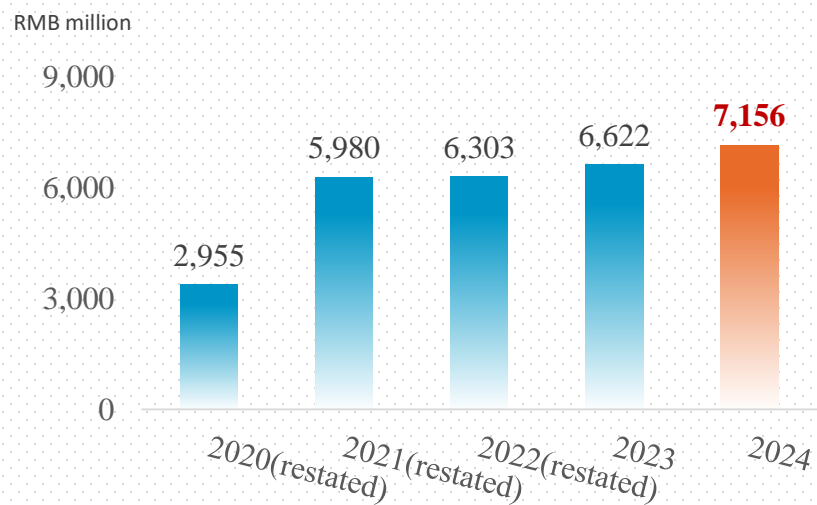
Revenue Breakdown



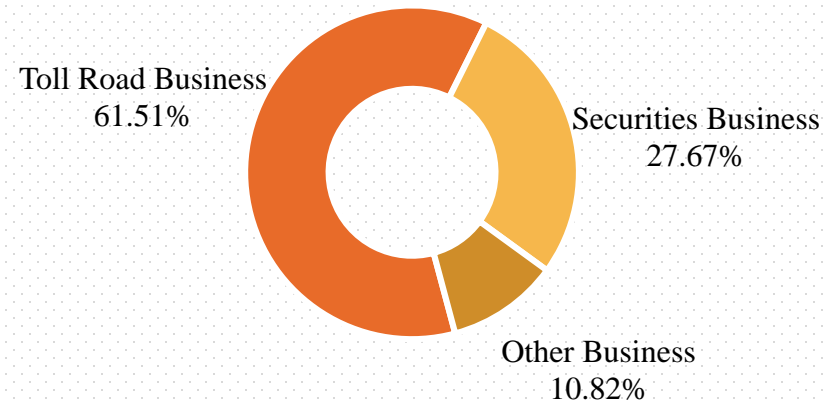
Overall revenue for the Group was RMB 18,065 million, an increase of 6.5% y-o-y

Result Highlights— Net Profit

Net Profit



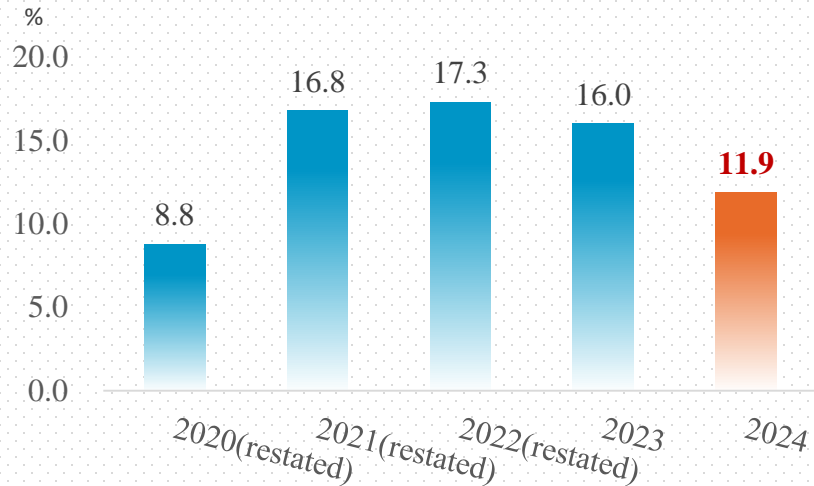
Net Profit Breakdown



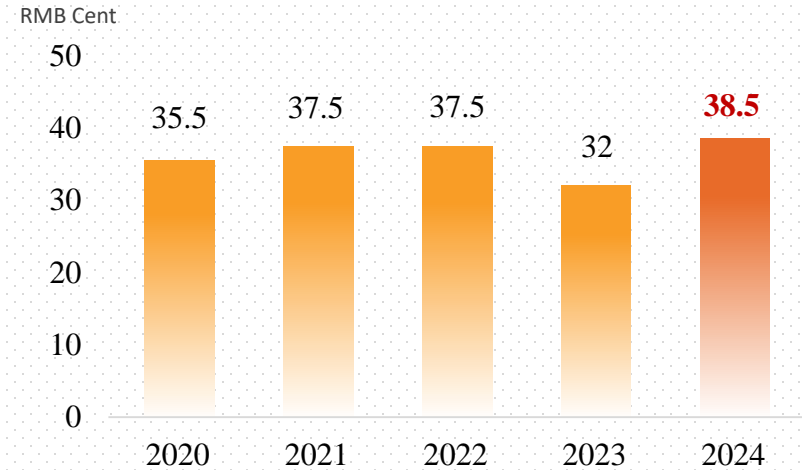
2024 EPS (basic/diluted): RMB 91.79 Cents / RMB 90.50 Cents

Result Highlights— ROE & Dividend

ROE



Dividend



To provide shareholders with stable return in the long run





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Business Review

Economy



- **China GDP growth: 5.0% y-o-y**
China's economic operation was generally stable in steady progress.
- **Zhejiang GDP growth: 5.5% y-o-y**
Production and supply steadily expanded, new impetus for consumption reinforced, and foreign trade grew rapidly.

- In Q1-Q3, domestic capital market experienced drastic fluctuations;
- In Q4, favorable policies and restored market confidence improved the activity level of capital market significantly.



Market Review

Various factors affected

Positive factors:

- Total import and export of goods in Zhejiang increased by 7.4% y-o-y, effectively driving freight transportation demand;
- The construction of Industrial Park and parallel road boosted truck traffic volume on the Zhoushan Bay Bridge.
- The 50% discount policy for yellow-plate trucks on Zhajiasu Expressway returned to normal in 2024.

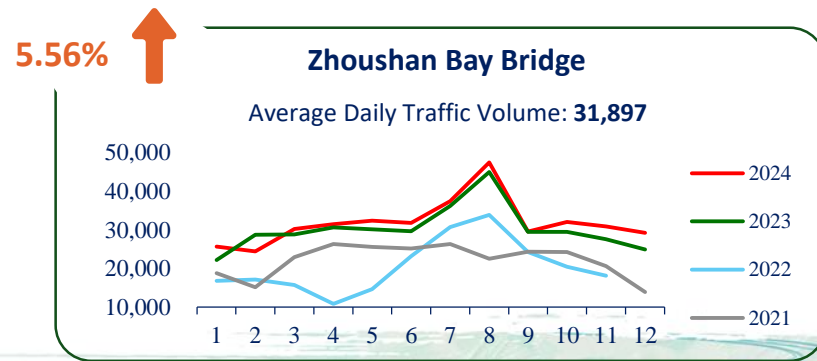
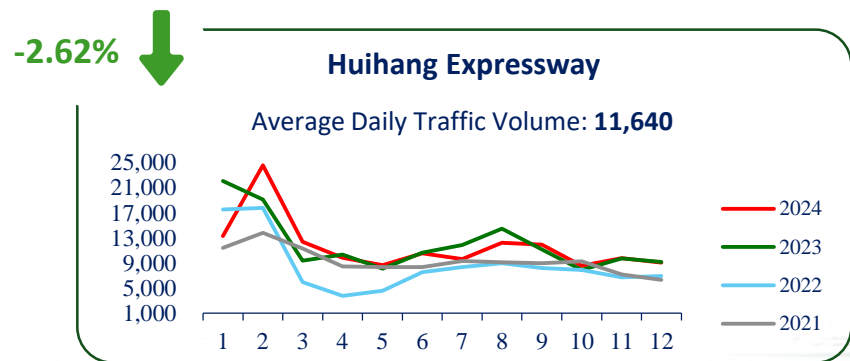
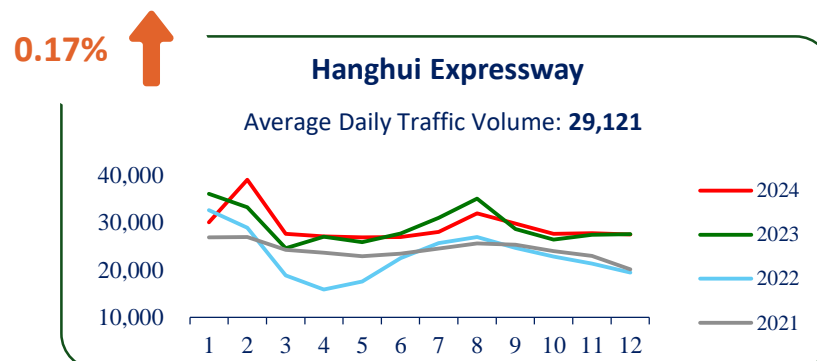
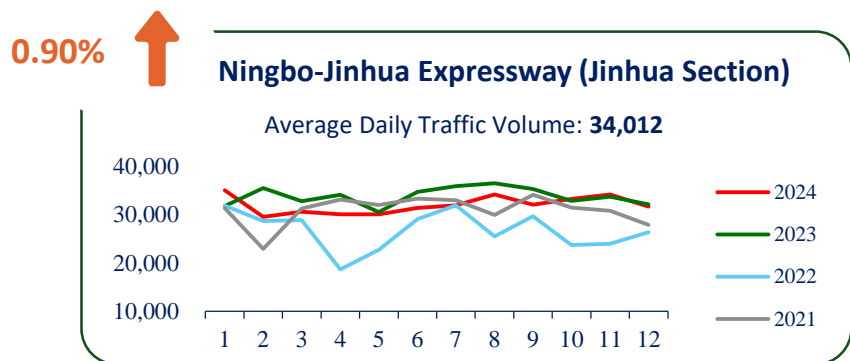
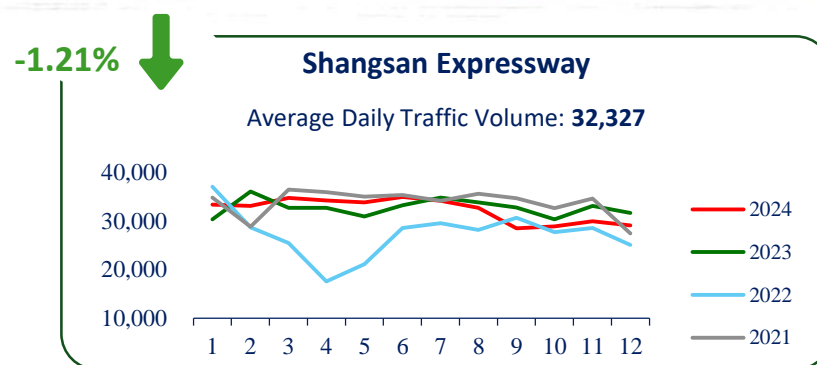
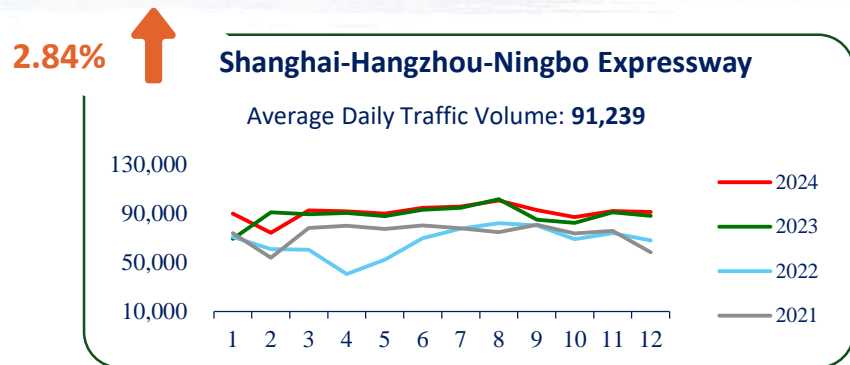
Negative factors:

- Toll-free duration for passenger cars increased by 2 days y-o-y. Also affected by abnormal weather, public travel enthusiasm declined;
- Expansion of YongTaiWen Expressway (Shuiyang Hub to Daxi Hub section) negatively affected traffic volume of Shangsans Expressway;
- Hangzhou-Shaoxing-Ningbo Expressway (Hangzhou to Shaoxing Section), 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.

Expressway	Daily traffic volume (full-trip equivalent)	%YoY Change	Toll revenue (RMB million)	%YoY Change
Shanghai-Hangzhou-Ningbo Expressway	91,239	2.84%	4,996.11	1.90%
Shangsans Expressway	32,327	-1.21%	1,060.48	-3.10%
Ningbo-Jinhua Expressway (Jinhua Section)	34,012	0.90%	566.42	1.70%
Hanghui Expressway	29,121	0.17%	730.39	-0.90%
Huihang Expressway	11,640	-2.62%	186.84	-3.60%
Zhoushan Bay Bridge	31,897	5.56%	1,299.44	8.10%
LongLiLiLong Expressway	15,927	5.60%	792.18	4.70%
Zhajiasu Expressway	43,262	4.27%	500.75	5.00%
HuangQuNan Expressway	12,159	4.70%	529.75	5.00%

Revenue from toll operation increased 2.3% to RMB 10,662.35 million

Toll Road Business – Daily Traffic Volume

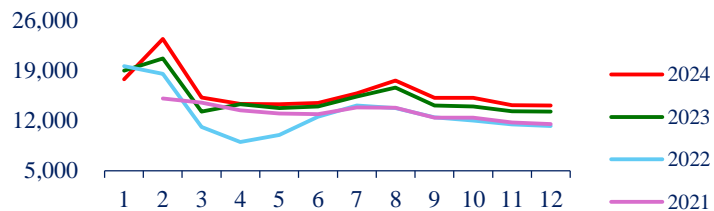


Toll Road Business – Daily Traffic Volume

5.60% ↑

LongLiLiLong Expressways

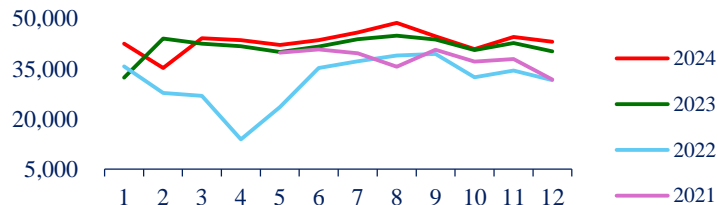
Average Daily Traffic Volume: **15,927**



4.27% ↑

Zhajiasu Expressway

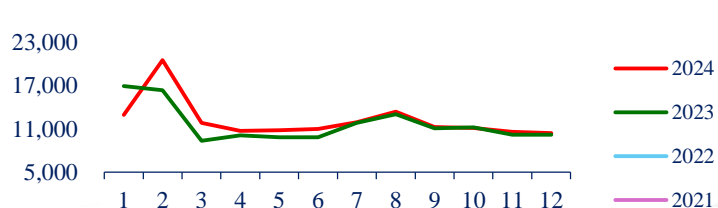
Average Daily Traffic Volume: **43,262**



4.70% ↑

HuangQuNan Expressway

Average Daily Traffic Volume: **12,159**



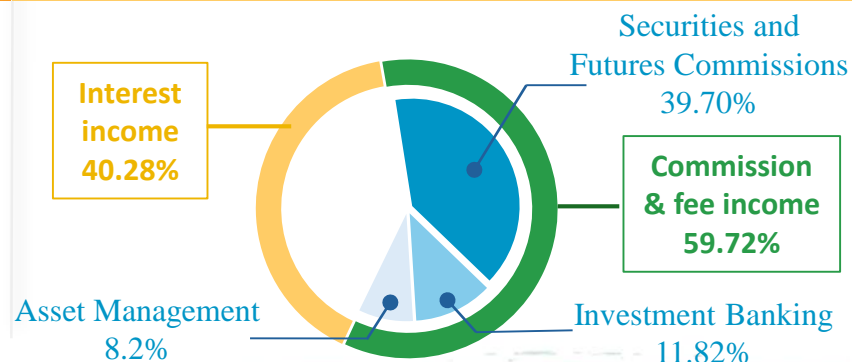


- Zhesang Securities recorded revenue of RMB 6.18 billion, representing a decrease of 3.0% y-o-y;
- Commission and fee income decreased 5.8% y-o-y to RMB 3.69 billion, interest income from the securities business was RMB 2.49 billion, representing an increase of 1.5 % y-o-y;
- Securities investment gains of Zhesang Securities included in the consolidated statement of profit and loss and other comprehensive income of the Group was RMB 1.74 billion.

Revenue from securities business decreased 3.0% to RMB 6,182.51 million

RMB million	2024	2023	%Change
Commission & fee income	3,692.15	3,919.89	-5.8%
Interest income	2,490.36	2,452.40	1.5%
Securities investment gains	1,735.12	1,024.96	69.3%

2024 Zhesang Securities Revenue Breakdown



Long-term Investments

Expressway



Zhejiang Shaoxing Shengxin Expressway Co., Ltd.

- Average daily traffic volume: 31,004 vehicles, increased 3.63% y-o-y;
- Toll revenue: RMB 5.64 billion;
- **Net profit attributable to the Company: RMB 108.27 million.**



Zhejiang Zhijiang Communications Holdings Co., Ltd.

- Owns the 145km Yonglan Expressway;
- **Net profit attributable to the Company : RMB 22.47 million.**



Zhejiang HangNing Expressway Co., Ltd.

- Owns the 99km Hangzhou-Ningbo Expressway;
- **Net profit attributable to the Company : RMB 157.16 million.**



CICC-Zhejiang Expressway-Shenjiahuhang ABS program

- Owns the 93km Shenjiahuhang Expressway;
- **The special plan recorded a net loss of RMB 7.26 million.**



Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd.

- Operates the 139km Wenzhou section of Yongtaiwen Expressway;
- **Net profit attributable to the Company : RMB 34.71 million.**



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

- Primarily engaged in equity investments, investment management and investment consultation;
- **Net loss attributable to the Company: RMB 19.22 million.**



Zhejiang Communications Investment Group Finance Co., Ltd.

- Derives income from interest, fees and commissions for providing financial services;
- **Net profit attributable to the Company : RMB 79.36 million.**



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 attributable to the Company : RMB 72.92 million.**




Shanghai Rural Commercial Bank Co., Ltd.

- 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;
- **2024 audited financial data has not yet been released.**


Finance Services

Investment, M & A—Yonglan Expressway



 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.

 Zhijiang Communications Holdings (a joint venture) acquired 60% equity interest of Yonglan Expressway in 2023.

Zhijiang Communications Holdings complete the acquisition of remaining 40% equity interest in 2024.

Further expand the strategic layout of the main highway business

Investment, M & A — Ningbo-Zhoushan Expressway Parallel Line Phase II



Strategic positioning: an important project for the construction of Zhejiang Province's Greater Bay Area and Ningbo-Zhoushan integration and China (Zhejiang) Free Trade Pilot Zone;

Insufficient capacity of existing expressways: currently Ningbo-Zhoushan Expressway is the only land access to Zhoushan. The average daily traffic volume exceeds 50,000 vehicles during the peak tourist season, which presenting a normal congestion of the access;

Extend toll concession period: Zhoushan Bay Bridge (Jiaochuan Interchange to Jintang Interchange) will be integrated for unified fee collection after concession period expires, new concession period would be extended for another 20 years and 9 months (subject to government approval).



In March 2025, the Company acquired 51% equity interest of the project.

Mileage	18.1km	Total Investment	RMB 16 bill (Estimated)
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Lanes	6	Company Stake	51%
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Scheduled Opening Time	10/2030	Company Capital Contribution	RMB 3.67 bill (Estimated)
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Further expand the strategic layout of the main highway business



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Reconstruction and Expansion Project

Overview of Reconstruction and Expansion Project



Toll Road	Ningbo-Jinhua Expressway		Zhajiasu Expressway
	Jinhua Section	Shaoxing Section	Nanhu Interchange to Provincial Border
Mileage	69.7km	73.3km	25.2km
Investment	RMB 15.91 bill	RMB 12.75 bill	RMB 7.30 bill
Company stake/Capital Contribution	100%; RMB 3.18 Bill	50%; RMB 1.28 bill	55%; RMB 0.80 bill

Strategic Positioning

- Ningbo-Jinhua Expressway**
- ✓ Spanning the east-west trade in Zhejiang Province
 - ✓ Expressway connecting Ningbo Port, Hangzhou, and Yiwu
 - ✓ Ningbo Zhoushan Port: 2024 cargo throughput: 1.377 billion tons, increased 4% y-o-y, 16th consecutive year as the world's largest port

- Zhajiasu Expressway**
- ✓ important interprovincial trunk line between Zhejiang and Jiangsu provinces
 - ✓ significant north-south arterial road in the central area of the Yangtze River Delta


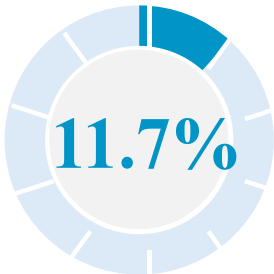

Progress of Reconstruction and Expansion Project

Toll Road

Ningbo-Jinhua Expressway Jinhua Section

Ningbo-Jinhua Expressway Shaoxing Section

Zhajiasu Expressway Nanhu Interchange to Provincial Border

Lanes	Four to eight	Four to eight	Four to eight
Main construction starting time	2025/04	2025/05	2025/03
Construction period	48 months	48 months	42 months
Description of construction progress (as of February 2025)	 <p>14.1%</p>	 <p>11.7%</p>	 <p>3.0%</p>

Reconstruction and expansion project advances steadily.



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Financial Services Connected Transactions

Financial Services Connected Transactions

Basic Elements	Financial Services Agreements	Supplemental Agreement (Proposed for Signing)
Transaction parties	The Company and Zhejiang Communications Investment Group Finance Co., Ltd..	
Terms	From March 30, 2025 to March 29, 2028	From the date of approval of the Supplemental agreement to March 29, 2028
Services	Deposit services, loan services, clearing services and other services	
Deposits(including interest) Caps	No higher than 1.5 RMB billion	Revised to no higher than RMB 5 billion*
Loan Facilities	No lower than RMB 3 billion	Revised to no lower than RMB 10 billion*
*Subject to obtaining approval by Independent Shareholders at the AGM, the Revised Annual Caps will come into effect.		

Advantages of Financial Services Agreement :

Favorable interest rate

- Centralized deposit and loan transactions, provide a strong position to bargain for a more competitive interest rate;
- Comparable deposit interest rate no lower than major commercial banks;
- Comparable loan interest rate no higher than major commercial banks.

Efficient professional service

- Long-term partnership, familiar with business requirements;
- Efficient cooperation with the company and its subsidiaries;
- Better capital flow usage monitor and management.

Financial services agreements continue to create value for the company

Commitment letter

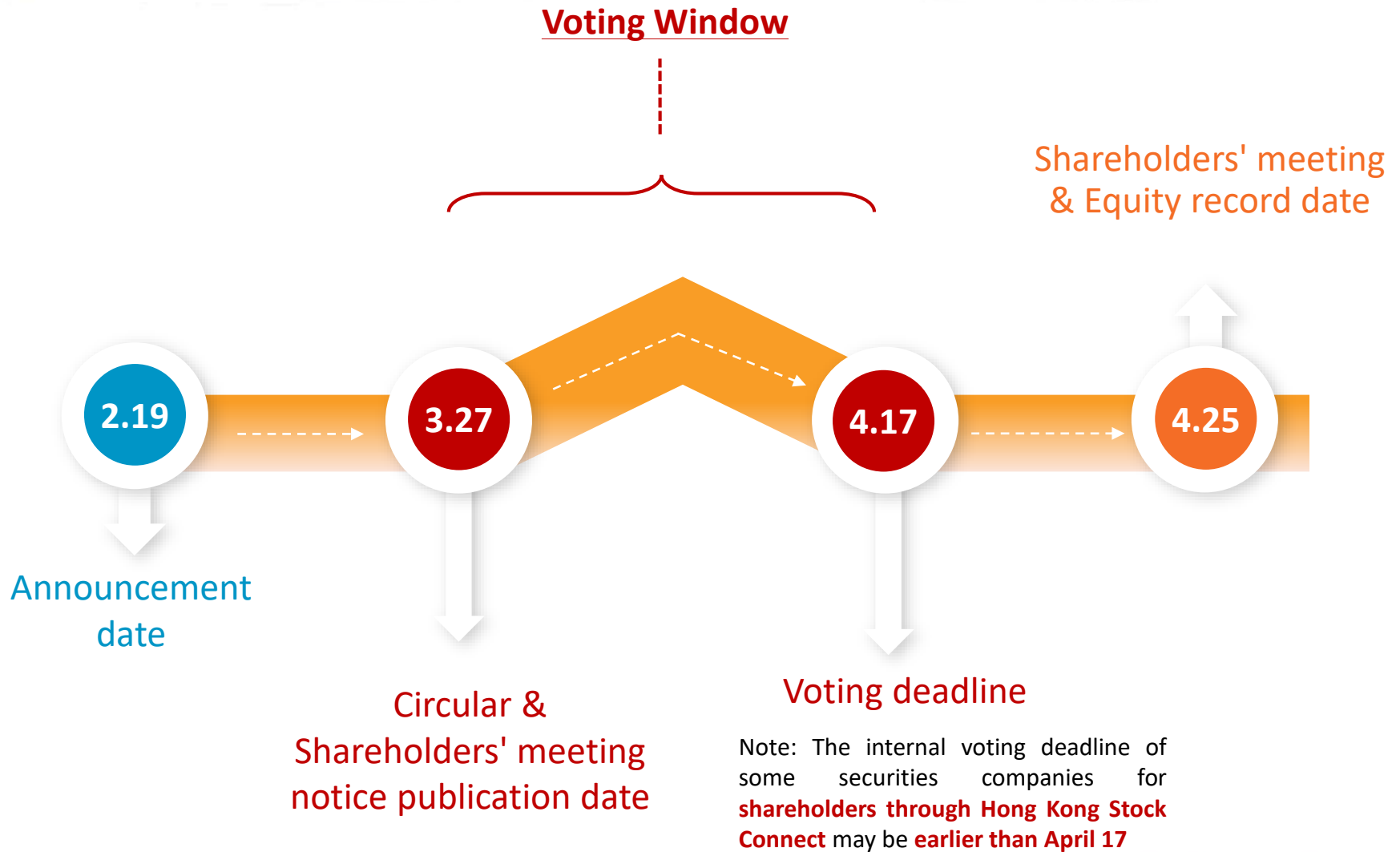
- **Zhejiang Communications Finance commits :**
 - Ensure the deposits will be prioritized for use in the Company's credit facilities, safeguarding the security of these funds ;
 - Keep informed of the management of the Company's funds.
- **Zhejiang Communications Group commits:**
 - Increase its corresponding capital in Zhejiang Communications Finance based on the actual needs to resolve the payment issues.



Risk control

- The Financial Management Department is responsible for the frontline governance and supervision; the Company nominates a director to the Zhejiang Communications Finance ;
- Compare two or more independent agency market quotations;
- Strictly implement the internal approval process.

Financial Services Connected Transactions





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Outlook & Growth Strategies

Market Situation

2025, the Chinese government will implement more proactive macro policies, leading the development of new quality productive forces through innovation;

With effective policies, China's economy is expected to continue to rebound and improve.

Growth Prospects

The Group will benefit from increased logistics demand driven by steady recovery of the China's economy.

The Group will fully grasp opportunities and proactively respond to challenges, ensure steady development in a complex market environment, create long-term returns for shareholders.

1

Enhance service quality

- Pilot precision entry control, increase application of AI and others technologies;
- Create highway live-streaming rooms;
- Full coverage of truck community services across all sections.

2

Expand core business

- Continue leveraging the investment platform;
- Complete supporting research for expansion of Shanghai-Hangzhou-Ningbo Expressway;
- Ensure capital injection for reconstruction and expansion;
- Plan construction timeline for the “15th Five-Year” reconstruction and expansion.

3

Integrate transportation and energy

- Explore the construction of a battery-swapping station network along the Yangtze River Delta highway ring road;
- Accelerate the development of photovoltaic resources along expressways under management;
- Launch the second batch of EV charging stations construction.

4

Empower high-quality development

- Advance the digital transformation of internal control management;
- Explore third-party collaborations around low-altitude economy and data asset applications;
- Promote the digital transformation and upgrading of transportation infrastructure.

**expanding growth, extending existing business,
activating dynamic variables and stabilizing profitability levels**



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Q&A



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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 Zheshang 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 ranking among the top of the industry




79.8% 2024 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


 Acquired 55% equity interest in Zhangjiashu Expressway

 PPP project of Duihe kou to Aibuli section of Zhen hai-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


 Credit ratings of “A+” and “A” from Fitch and S&P

 Issued five-year bonds in amount of USD470 million, at interest rate of 1.638% per annum


2020


 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 Long LiLi Long Company

2021


 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 Rmb 6.317 billion


2022


 “ 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


 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


 Completed rights issue of H shares and domestic shares, raising gross proceeds equivalent to approximately Rmb6.15 billion


2023


 “Hong Kong Stock Golden Ox Award” in the 26th Listed Companies Golden Ox Awards

 “Outstanding Listed Company” and “Outstanding Investor Relations Management Listed Company” awards in the 14th China Securities Golden Bauhinia Awards

 “Best ESG Disclosure Award” and “Best ESG Practice Case Award” from the Hong Kong International ESG Alliance.

 Acquired the remaining 40% equity interest in Yonglan Company

 Entrusted to operate and manage Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway, Hangzhou-Ningbo Expressway Parallel Line Phase I and Suzhou-Taizhou Expressway Phase II

 Zheshang Securities acquired 34.25% equity interest in Guodu Securities.

2024

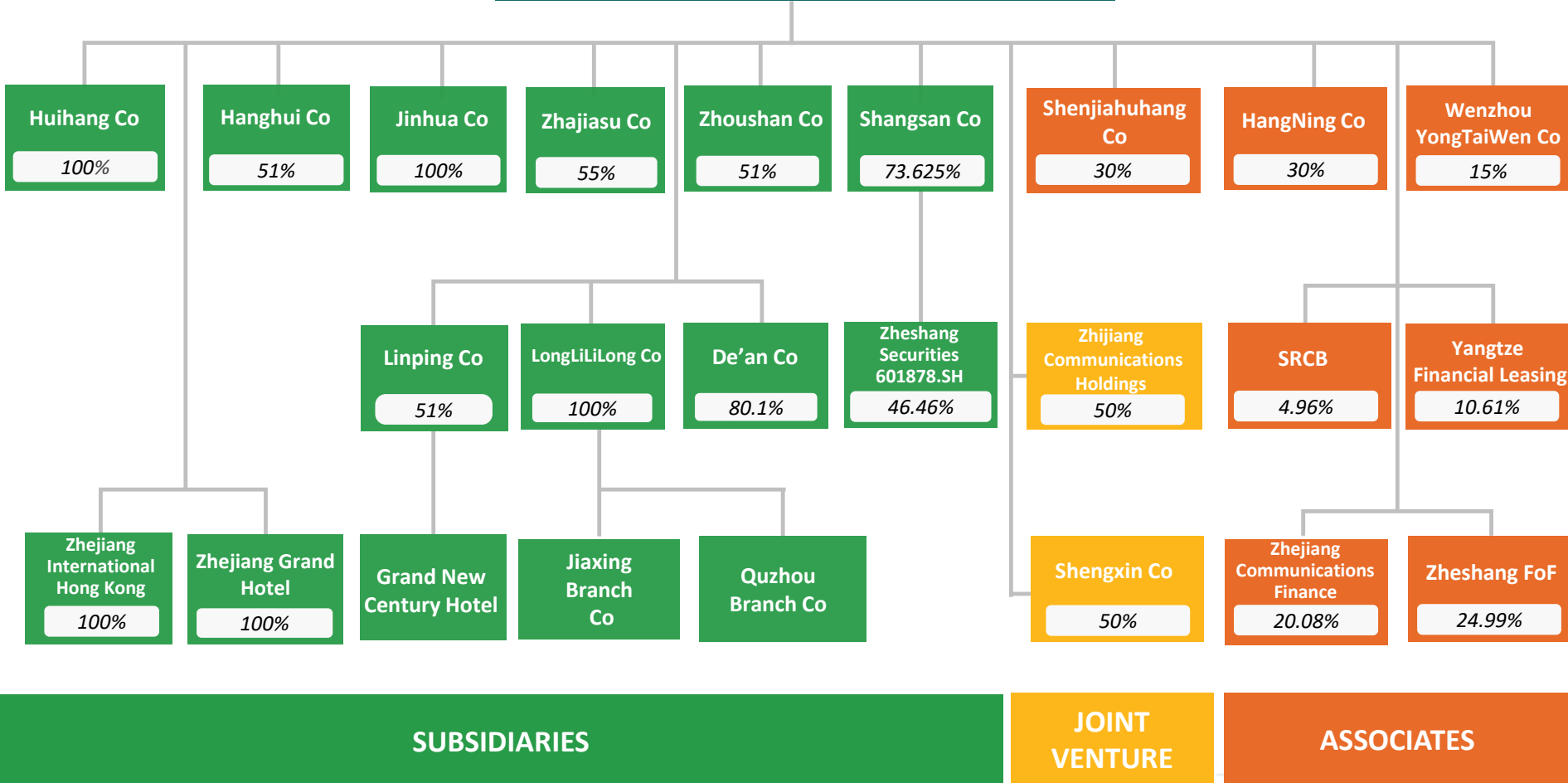
Appendix III : Statement of Financial Position

<i>(RMB million)</i>	2024	2023	%Change
Bank balances, clearing settlement fund, deposits and cash	32,363.94	31,248.25	3.6%
Financial assets at fair value through profit or loss	36,022.57	41,918.64	-14.1%
Total assets	217,182.37	207,733.80	4.5%
Total liabilities	143,484.00	147,328.69	-2.6%
Total debt	128,946.80	129,221.64	-0.2%
Debt to equity (%)	175.0%	213.9%	-18.2%
Total liabilities to total assets (%)	66.1%	70.9%	-6.8%

Appendix IV : Organization Chart

As of March 24, 2025

Zhejiang Expressway Co., Ltd.
0576.HK



Appendix V : Expressway Map of Zhejiang Province

