



**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 2017 Interim Results**

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

**Financial Highlights**

- Revenue amounted to Rmb4,668.76 million, representing a decrease of 2.8% year-on-year
- Profit attributable to owners of the Company amounted to Rmb1,510.74 million, representing an increase of 10.4% year-on-year
- Earnings per share was Rmb34.78 cents
- An interim dividend of Rmb6 cents per share is recommended

(Hong Kong, August 23, 2017) – 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, 2017 (the “Period”).

During the Period, revenue for the Group was Rmb4,668.76 million, representing a decrease of 2.8% over the corresponding period of 2016. Profit attributable to owners of the Company was Rmb1,510.74 million, representing an increase of 10.4% year-on-year. Earnings per share for the Period was Rmb34.78 cents (corresponding period of 2016: Rmb31.50 cents). The Directors have recommended to pay an interim dividend of Rmb6 cents per share (corresponding period in 2016: Rmb6 cents).

**Ms. Luo Jianhu, General Manager of the Company,** said, “During the first half of 2017, driven by growth in key GDP contributors including investments, consumption and exports, the economy in the Zhejiang Province maintained healthy growth momentum. As a result, the organic traffic volume on the Group’s expressways registered strong rate of growth. In terms of securities business, with the efforts made in the past three years, Zheshang Securities was listed on the mainboard of Shanghai Stock Exchange on June 26, 2017, which made it the first listed broker in the Zhejiang Province. The listing not only opened a new financing channel for Zheshang Securities, but also increased its brand awareness and overall competitiveness. In addition, we made a breakthrough in offshore financing by issuing Euro365 million zero coupon convertible bonds.”



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**Business Review**

As Zhejiang Province's economy steadily improved during the Period, traffic volume on the Group's expressways continued to maintain solid organic growth. However, as Zheshang Securities was affected by downturn market sentiment, revenue from the Group's overall operations decreased 2.8% year-on-year. Total revenue reached Rmb4,668.76 million, of which Rmb2,868.62 million was generated from the five major expressways operated by the Group, representing an increase of 13.0% year-on-year and 61.4% of the total revenue, and Rmb1,705.45 million was from the securities business, representing a decrease of 20.8% year-on-year and 36.6% 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 54,284, representing an increase of 9.0 % 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 55,764, representing an increase of 13.8 % year-on-year, and that along the Hangzhou-Ningbo Section was 53,226, representing an increase of 5.6% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsans Expressway was 30,100, representing an increase of 10.9% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 19,673, representing an increase of 11.4% year-on-year. Average daily traffic volume in full-trip equivalents along the Hanghui Expressway was 17,527, representing an increase of 8.6% year-on-year. Average daily traffic volume in full-trip equivalents along the Huihang Expressway was 7,991, representing an increase of 2.3% 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 Rmb2,868.62 million, representing an increase of 13.0% year-on-year. Among which, toll revenue from the Shanghai-Hangzhou-Ningbo Expressway was Rmb1,781.36 million, representing an increase of 9.9% year-on-year; toll revenue from the Shangsans Expressway was Rmb609.25 million, representing an increase of 13.3% year-on-year; toll revenue from the Jinhua Section of the Ningbo-Jinhua Expressway was Rmb177.52 million, representing an increase of 10.8% year-on-year; and toll revenue from the Hanghui Expressway was Rmb232.05 million, representing an increase of 5.7% year-on-year. The Huihang Expressway, which was acquired by the Group in September 2016, contributed Rmb68.43 million to the consolidated toll revenue of the Group during the Period.

For the securities business, due to the volatility in domestic stock markets, trading volume on the



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Shanghai and Shenzhen stock markets decreased 18.5% year-on-year in total. Moreover, overall brokerage commission rate of Zheshang Securities has been declining as affected by the downturn of trading volume and the decline in its market share. During the Period, though revenue from Zheshang Securities' investment banking business experienced slight growth, its other business segments recorded varied levels of revenue decreases year-on-year.

During the Period, Zheshang Securities recorded total revenue of Rmb1,705.45 million, a decrease of 20.8% year-on-year. Of which, commission income declined 25.8% year-on-year to Rmb1,044.16 million, and interest income from the securities business was Rmb661.29 million, representing a decrease of 11.2% year-on-year. In addition, during the Period, securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income of the Group was Rmb370.30 million (corresponding period in 2016: gains of Rmb107.99 million).

Concurrently, after all the efforts made by various parties, Zheshang Securities finally passed the review of the China Securities Regulatory Commission (CSRC) and was listed on the Shanghai Stock Exchange on June 26, 2017. At the offering, Zheshang Securities issued 333,333,400 new shares in total with an offering price of Rmb8.45. The net proceeds (after deducting the issue costs) were approximately Rmb2,757 million.

### **Outlook**

Looking ahead over the second half of 2017, the macro economy is expected to rebound with upside momentum while confronted by serious pressures. Under the backdrop of “New Normal” in terms of economic development, the Group believes that the positive momentum presented by the ever-improving policy environment in Zhejiang Province is set to bring new opportunities to all business segments of the Group. Leveraging its leading market position and its strengths in operational management, the Company's management will look to expand its core expressway business while strengthening its securities business and seeking suitable investments and development projects in order to enlarge the asset scale of its core businesses and increase future profitability.

- End -

### **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



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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 carry out securities business. Its subsidiary Zhesang Securities Co., Ltd. is listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).

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