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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 0576)

2017 FIRST QUARTERLY RESULTS ANNOUNCEMENT

The directors (the “Directors”) of Zhejiang Expressway Co., Ltd. (the “Company”) are pleased to announce the first quarterly results of the Company and its subsidiaries (the “Group”) for the three months ended March 31, 2017 (the “Period”).

The audit committee of the Company has reviewed the quarterly results of the Group for the Period. Set out below are the Group’s unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of financial position and unaudited condensed consolidated statement of cash flows for the Period together with the comparative figures for the corresponding period of 2016:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	For the three months ended March 31,	
	2017	2016
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited and restated)
Continuing operations		
Revenue	2,338,312	2,296,849
Operating costs	(1,118,826)	(1,159,889)
Gross profit	1,219,486	1,136,960
Securities investment gains	136,766	46,937
Other income	51,462	76,276
Administrative expenses	(15,474)	(14,429)
Other expenses	319	(11,079)
Share of profit of associates	46,064	3,798
Share of profit (loss) of a joint venture	1,677	(1,173)
Finance costs	(176,159)	(180,614)
Profit before tax	1,264,141	1,056,676
Income tax expense	(290,393)	(266,819)
Profit for the Period from continuing operations	973,748	789,857
Discontinued operations		
Profit for the Period from discontinued operations	–	8,620
Profit for the Period	973,748	798,477
Profit for the Period attributable to owners of the Company		
– Continuing operations	792,735	653,420
– Discontinued operations	–	8,401
	792,735	661,821
Profit for the Period attributable to non-controlling interest		
– Continuing operations	181,013	136,437
– Discontinued operations	–	219
	181,013	136,656
	973,748	798,477

	For the three months ended March 31,	
	2017	2016
	Rmb'000	<i>Rmb'000</i>
	(Unaudited)	(Unaudited and restated)
	<u> </u>	<u> </u>
Other comprehensive (loss) income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
– Fair value gain during the Period	44,319	19,401
– Reclassification adjustments for cumulative gain included in profit or loss upon disposal	(47,970)	(11,716)
Share of differences arising on translation	(45)	(160)
Income tax relating to items that may be reclassified subsequently	913	(1,921)
	<u> </u>	<u> </u>
Other comprehensive (loss) income for the Period, net of income tax	(2,783)	5,604
	<u> </u>	<u> </u>
Total comprehensive income for the Period	970,965	804,081
	<u> </u>	<u> </u>
Total comprehensive income for the Period attributable to:		
Owners of the Company	791,284	664,744
Non-controlling interest	179,681	139,337
	<u> </u>	<u> </u>
	970,965	804,081
	<u> </u>	<u> </u>
Earnings per share		
From continuing and discontinued operations – Basic and diluted	Rmb18.25 cents	Rmb 15.24 cents
	<u> </u>	<u> </u>
From continuing operations – Basic and diluted	Rmb18.25 cents	Rmb 15.04 cents
	<u> </u>	<u> </u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at March 31, 2017 <i>Rmb'000</i> (Unaudited)	As at December 31, 2016 <i>Rmb'000</i> (Audited)
Non-current assets	20,007,874	21,603,208
Current assets	54,203,829	52,158,224
Current liabilities	42,975,445	42,507,358
Net current assets	11,228,384	9,650,866
Total assets less current liabilities	31,236,258	31,254,074
Non-current liabilities	6,089,366	7,078,147
	25,146,892	24,175,927
Capital and Reserves		
Share capital	4,343,115	4,343,115
Reserves	14,765,326	13,974,042
Equity attributable to owners of the Company	19,108,441	18,317,157
Non-controlling interests	6,038,451	5,858,770
	25,146,892	24,175,927

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the three months ended March 31,	
	2017	2016
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Net cash (used in) from operating activities	(1,144,645)	100,515
Net cash from (used in) investing activities	1,499,420	(229,841)
Net cash used in financing activities	(3,448,141)	(1,416,100)
Net decrease in cash and cash equivalents	(3,093,366)	(1,545,426)
Cash and cash equivalents at beginning of the Period	7,198,745	4,983,051
Effect of foreign exchange rate changes	(45)	(160)
Cash and cash equivalents at end of the Period	<u>4,105,334</u>	<u>3,437,465</u>

By Order of the Board
Zhejiang Expressway Co., Ltd.
ZHAN Xiaozhang
Chairman

Hangzhou, the PRC, April 28, 2017

As at the date of this announcement, the executive directors of the Company are: Mr. ZHAN Xiaozhang, Mr. CHENG Tao and Ms. LUO Jianhu; the non-executive directors of the Company are: Mr. WANG Dongjie, Mr. DAI Benmeng, and Mr. ZHOU Jianping; and the independent non-executive directors of the Company are: Mr. ZHOU Jun, Mr. PEI Ker-Wei and Ms. LEE Wai Tsang, Rosa.