



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 2015 Third Quarterly Results
and
Completion of Acquisition of 80.614% Equity Interest in
Zhejiang Hanghui Expressway Co., Ltd**

Financial Highlights

- Revenue amounted to Rmb9,028.35 million, representing an increase of 39.5% year-on-year
- Profit attributable to owners of the Company amounted to Rmb2,271.69 million, representing an increase of 36.7% year-on-year
- Earnings per share was Rmb52.31 cents

(Hong Kong, November 12, 2015) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced the unaudited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended September 30, 2015 (the “Period”).

During the Period, revenue for the Group was Rmb9,028.35 million, representing an increase of 39.5% over the same period in 2014. Profit attributable to owners of the Company was Rmb2,271.69 million, representing an increase of 36.7% year-on-year. Earnings per share for the Period was Rmb52.31 cents (same period in 2014: Rmb38.25 cents).

Mr. Zhan Xiaozhang, Chairman of the Company said, “Benefiting from stable economy in Zhejiang province, the Group’s expressways’ traffic volume maintained solid organic growth. Trading activities on the domestic stock markets were robust. As a result, the Group recorded a solid growth.”

Toll Road Operations

During the Period, total toll income from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsans Expressway and the 70km Jinhua Section of the Ningbo-Jinhua Expressway was Rmb3,484.15 million, representing an increase of 6.1% year-on-year. Toll income from the Shanghai-Hangzhou-Ningbo Expressway was Rmb2,423.43 million, representing an increase of 4.2% year-on-year. Toll income from the Shangsans Expressway was Rmb786.22 million, representing an increase of 7.5% year-on-year. Toll income from the Jinhua Section of the Ningbo-Jinhua Expressway was Rmb274.50 million, representing an increase of 20.1% year-on-year.



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During the Period, the average daily traffic volume in full trip equivalents along the Group's Shanghai-Hangzhou-Ningbo Expressway was 47,967, representing an increase of 5.8% 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 46,016, representing an increase of 5.4% year-on-year, and that along the Hangzhou-Ningbo Section was 49,486, representing an increase of 6.3% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsang Expressway was 25,183, representing an increase of 9.6% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 19,520, representing an increase of 22.9% year-on-year.

Toll Road-Related Business Operations

During the Period, affected by the temporary closure of the service area to the north of the Hangzhou Bay Bridge for renovation and the competition from surrounding new service areas, the Group's product sales income from service areas along the expressway (excluding gas stations) recorded only a slight increase year-on-year. In addition, Zhejiang Province took action to remove billboards along the expressway, which gradually narrowed the advertising business of the Group's subsidiary to expressway service areas only. As a result, advertising income substantially decreased within the Period.

During the Period, total income from toll road-related operations was adversely affected by several reductions to the retail price of domestic refined oil. During the Period, overall income from toll road-related operations was Rmb1,412.43 million, representing a decrease of 22.2% year-on-year.

Securities Business

The Shanghai and Shenzhen stock markets have been volatile since mid-June, 2015. However, trading activities remained strong and the total trading volume of the Shanghai and Shenzhen stock markets increased 389.8% from the same period of last year. Despite a continuous decline in average brokerage commission rate, the brokerage business of Zheshang Securities recorded substantial growth in trading volume and posted a year-on-year increase of 228.1% in brokerage commission income during the Period.

In addition, while accelerating the comprehensive development of each of its business segment, Zheshang Securities has been actively developing innovative businesses, and constantly working to improve its income and profit structure. During the Period, Zheshang Securities' total operating income was Rmb4,468.80 million, an increase of 184.8% year-on-year. Of which, brokerage commission income rose 180.4% year-on-year to Rmb3,099.94 million, and interest income from the securities business was Rmb1,368.86 million, an increase of 195.4%.

Outlook

The global economy remains on a path of weak recovery, and China's economic transformation and



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restructuring has entered its most critical phase; as a result, China's economy is facing significant downward pressure. Despite this, the Group expects that its toll road business, which is closely tied to macro-economic development, will continue to see steady growth in overall traffic volume in 2015.

In addition, the Dongyang-Yongkang Expressway, which opened to traffic in July, 2015, will continue to have a slight diversion impact on traffic for the Jinhua Section of the Ningbo-Jinhua Expressway. Since the neighbouring Hangzhou-Jinhua-Quzhou Expressway has been closed since June 6, 2015 for construction, the diverted traffic has led to a substantial growth in traffic volume in the Jinhua Section of the Ningbo-Jinhua Expressway. However, as construction was completed at the end of September, traffic growth is expected to drop back to normal levels in the fourth quarter of this year. The Group will not only continue to closely monitor the new road networks and conduct research and analysis on traffic diversions, but will also increase promotion efforts to attract more traffic to the Group's expressways, thereby minimizing the loss caused by traffic diversions.

Although indexes at the Shanghai and Shenzhen stock markets have fallen amid fluctuations since mid-June, it is expected that, alongside the deepening of reforms, a series of favorable policies will be launched to promote the development of the capital markets in China, which should present new opportunities for the Group's securities business. At the same time, Zheshang Securities will closely monitor new market policies, seek new profit drivers through continuously innovating its business, as well as reinforce cost and risk control to promote sustainable and healthy development.

To increase its market share and improve its competitive advantage, the Group expanded its existing network of expressways by completing the acquisition of an 80.614% equity interest in Zhejiang Hanghui Expressway Co., Ltd. The acquisition was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held in October 2015 and was subsequently completed on 10 November 2015

Commenting on the Group's future development strategies, **Mr. Zhan concluded**, "The Company is actively promoting its strategic transformation plan. Facing China's new economic development, the Company's management will pay close attention to changes in the business environment and relevant policies to adjust its business strategies in a timely manner based on the Company's development needs. In addition, the Company will continue to strengthen its core expressways business and optimize its securities and finance business. Furthermore, the Group will strive to identify suitable investment projects with manageable risks and foster diversified management skills to support the long-term and sustainable development of the Company and create value for its shareholders."



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About Zhejiang Expressway Co., Ltd

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) is regarded by the Zhejiang Provincial Government as its main enterprise for investment, development, operation, maintenance and management of high-grade roads in Zhejiang Province. The Company and its subsidiaries have concession rights to operate the Shanghai-Hangzhou-Ningbo Expressway and the Shansan Expressway for a period of 30 years, as well as the Jinhua Section of the Ningbo-Jinhua Expressway for a period of 25 years. To increase its market share and improve its competitive advantage, the Group expanded its existing network of expressways by completing the acquisition of an 80.614% equity interest in Zhejiang Hanghui Expressway Co., Ltd. In November 2015 and its concession rights is tentatively determined as 25 years. The Company and its subsidiaries also carry out certain ancillary businesses such as automobile servicing, operation of gas stations and billboard advertising along expressways, as well as the securities business.

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