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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 0576)

2017 THIRD QUARTERLY RESULTS ANNOUNCEMENT

The directors (the “Directors”) of Zhejiang Expressway Co., Ltd. (the “Company”) are pleased to announce the third quarterly results of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 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 nine months ended	
	September 30,	
	2017	2016
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited and restated)
	<u> </u>	<u> </u>
Continuing operations		
Revenue	7,211,329	7,405,839
Operating costs	(3,459,750)	(3,693,365)
Gross profit	3,751,579	3,712,474
Securities investment gains	569,657	319,675
Other income and gains and losses	(25,413)	169,219
Administrative expenses	(56,923)	(50,412)
Other expenses	(70,238)	(28,262)
Share of profit of associates	150,758	30,177
Share of profit of a joint venture	14,349	6,287
Finance costs	(467,333)	(506,177)
	<u> </u>	<u> </u>

	For the nine months ended	
	September 30,	
	2017	2016
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited and restated)
	<u> </u>	<u> </u>
Profit before tax	3,866,436	3,652,981
Income tax expense	(881,256)	(912,981)
	<u> </u>	<u> </u>
Profit for the Period from continuing operations	2,985,180	2,740,000
	<u> </u>	<u> </u>
Discontinued operations		
Profit for the Period from discontinued operations	–	30,716
	<u> </u>	<u> </u>
Profit for the Period	2,985,180	2,770,716
	<u> </u>	<u> </u>
Profit for the Period attributable to owners of the Company:		
– Continuing operations	2,398,896	2,151,400
– Discontinued operations	–	29,571
	<u> </u>	<u> </u>
	2,398,896	2,180,971
	<u> </u>	<u> </u>
Profit for the Period attributable to non-controlling interest:		
– Continuing operations	586,284	588,600
– Discontinued operations	–	1,145
	<u> </u>	<u> </u>
	586,284	589,745
	<u> </u>	<u> </u>
	2,985,180	2,770,716
	<u> </u>	<u> </u>

	For the nine months ended	
	September 30,	
	2017	2016
	Rmb'000	<i>Rmb'000</i>
	(Unaudited)	(Unaudited and restated)
	<u> </u>	<u> </u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
– Fair value gain during the Period	92,569	28,958
– Reclassification adjustments for cumulative gain included in profit or loss upon disposal	(82,589)	(26,023)
Share of differences arising on translation	59	88
Income tax relating to items that may be reclassified subsequently	(2,495)	(734)
	<u> </u>	<u> </u>
Other comprehensive income for the Period, net of income tax	7,544	2,289
	<u> </u>	<u> </u>
Total comprehensive income for the Period	2,992,724	2,773,005
	<u> </u>	<u> </u>
Total comprehensive income for the Period attributable to:		
Owners of the Company	2,402,435	2,182,167
Non-controlling interest	590,289	590,838
	<u> </u>	<u> </u>
	2,992,724	2,773,005
	<u> </u>	<u> </u>
Earnings per share		
From continuing and discontinued operations – basic and diluted	Rmb55.23cents	Rmb50.22 cents
	<u> </u>	<u> </u>
From continuing operations – basic and diluted	Rmb55.23cents	Rmb49.54 cents
	<u> </u>	<u> </u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at September 30, 2017 <i>Rmb'000</i> (Unaudited)	As at December 31, 2016 <i>Rmb'000</i> (Audited)
Non-current assets	19,646,735	21,603,208
Current assets	51,821,775	52,158,224
Current liabilities	34,464,066	42,507,358
Net current assets	17,357,709	9,650,866
Total assets less current liabilities	37,004,444	31,254,074
Non-current liabilities	8,663,004	7,078,147
	28,341,440	24,175,927
Capital and reserves		
Share capital	4,343,115	4,343,115
Reserves	15,715,060	13,974,042
Equity attributable to owners of the Company	20,058,175	18,317,157
Non-controlling interests	8,283,265	5,858,770
	28,341,440	24,175,927

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended	
	September 30,	
	2017	2016
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Net cash (used in) from operating activities	(159,195)	2,432,567
Net cash from (used in) investing activities	1,150,627	(596,757)
Net cash used in financing activities	(3,684,077)	(2,916,694)
Net decrease in cash and cash equivalents	(2,692,645)	(1,080,884)
Cash and cash equivalents at beginning of the Period	7,198,745	4,983,051
Effect of foreign exchange rate changes	59	88
Cash and cash equivalents at end of the Period	4,506,159	3,902,255

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

Hangzhou, the PRC, October 31, 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.