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浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

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

2018 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, 2018 (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 2017:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the nine months ended	
	September 30,	
	2018	2017
	Rmb’000	Rmb’000
	(Unaudited)	(Unaudited)
	<u> </u>	<u> </u>
Revenue	7,174,055	7,211,329
Including: Interest income	1,073,710	1,013,957
Operating costs	(3,346,944)	(3,459,750)
Gross profit	3,827,111	3,751,579
Securities investment gains	328,925	569,657
Other income and gains and losses	242,774	(25,413)
Administrative expenses	(55,272)	(56,923)
Other expenses	(54,530)	(39,073)
Impairment losses, net of reversal	22,650	(31,165)
Share of profit of associates	267,549	150,758
Share of profit of a joint venture	17,478	14,349
Finance costs	(647,556)	(467,333)
	<u> </u>	<u> </u>

	For the nine months ended	
	September 30,	
	2018	2017
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
	<u> </u>	<u> </u>
Profit before tax	3,949,129	3,866,436
Income tax expense	(869,042)	(881,256)
	<u> </u>	<u> </u>
Profit for the Period	3,080,087	2,985,180
Profit for the Period attributable to:		
Owners of the Company	2,679,279	2,398,896
Non-controlling interests	400,808	586,284
	<u> </u>	<u> </u>
	3,080,087	2,985,180
	<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
– Reclassification adjustments for		
cumulative gain upon disposal	–	(82,589)
Exchange difference on translation of financial		
statements of foreign operations	4,258	59
Income tax relating to items that may		
be reclassified subsequently	–	(2,495)
	<u> </u>	<u> </u>
Other comprehensive income for the Period,		
net of income tax	4,258	7,544
	<u> </u>	<u> </u>
Total comprehensive income for the Period	3,084,345	2,992,724
	<u> </u>	<u> </u>
Total comprehensive income attributable to:		
Owners of the Company	2,681,277	2,402,435
Non-controlling interests	403,068	590,289
	<u> </u>	<u> </u>
	3,084,345	2,992,724
	<u> </u>	<u> </u>
Earnings per share		
Basic (Rmb cents)	61.69	55.23
	<u> </u>	<u> </u>
Diluted (Rmb cents)	58.87	55.23
	<u> </u>	<u> </u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at September 30, 2018 <i>Rmb'000</i> (Unaudited)	As at December 31, 2017 <i>Rmb'000</i> (Audited)
Non-current assets	21,539,482	19,698,271
Current assets	56,684,782	53,952,249
Current liabilities	34,645,985	32,421,081
Net current assets	22,038,797	21,531,168
Total assets less current liabilities	43,578,279	41,229,439
Non-current liabilities	12,784,337	12,025,088
	30,793,942	29,204,351
Capital and reserves		
Share capital	4,343,115	4,343,115
Reserves	17,689,728	16,311,385
Equity attributable to owners of the Company	22,032,843	20,654,500
Non-controlling interests	8,761,099	8,549,851
	30,793,942	29,204,351

**Note:* The Group has adopted HKFRS 9 from January 1, 2018. As permitted by the transitional provisions of HKFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in equity as at January 1, 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended	
	September 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Net cash generated from (used in) operating activities	2,592,865	(159,195)
Net cash (used in) generated from investing activities	(4,487,204)	1,150,627
Net cash generated from (used in) financing activities	2,250,809	(3,684,077)
Net increase (decrease) in cash and cash equivalents	356,470	(2,692,645)
Cash and cash equivalents at beginning of the Period	5,588,814	7,198,745
Effect of foreign exchange rate changes	4,258	59
Cash and cash equivalents at end of the Period	5,949,542	4,506,159

By Order of the Board
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, October 31, 2018

As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive directors of the Company are: Mr. CHENG Tao and Ms. LUO Jianhu; the non-executive directors of the Company are: Mr. DAI Benmeng, Mr. YU Qunli, and Mr. YU Ji; and the independent non-executive directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa, and Mr. CHEN Bin.