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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)

2019 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, 2019 (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 2018:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the three months ended March 31,	
	2019	2018
	<i>Rmb’000</i>	<i>Rmb’000</i>
	(Unaudited)	(Unaudited)
Revenue	2,291,898	2,255,435
Including: interest income	331,300	349,033
Operating costs	(1,151,881)	(1,026,094)
Gross profit	1,140,017	1,229,341
Securities investment gains	417,017	111,401
Other income and gains and losses	63,558	62,515
Administrative expenses	(15,255)	(15,029)
Other expenses	(15,403)	(13,623)
(Recognition) reversal of impairment losses, net	(2,071)	2,162
Share of profit of associates	206,925	50,013
Share of profit of a joint venture	7,062	5,293
Finance costs	(203,397)	(182,314)

	For the three months ended March 31,	
	2019	2018
	<i>Rmb'000</i>	<i>Rmb'000</i>
	(Unaudited)	(Unaudited)
Profit before tax	1,598,453	1,249,759
Income tax expense	(360,846)	(272,190)
Profit for the Period	1,237,607	977,569
Other comprehensive expense Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	(866)	(1,975)
Other comprehensive expense for the Period, net of income tax	(866)	(1,975)
Total comprehensive income for the Period	1,236,741	975,594
Profit for the Period attributable to:		
Owners of the Company	1,030,721	822,255
Non-controlling interests	206,886	155,314
	1,237,607	977,569
Total comprehensive income attributable to:		
Owners of the Company	1,030,314	821,328
Non-controlling interests	206,427	154,266
	1,236,741	975,594
Earnings per share		
Basic (Rmb cents)	23.73	18.93
Diluted (Rmb cents)	22.88	16.78

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at March 31, 2019 <i>Rmb'000</i> <u>(Unaudited)</u>	As at December 31, 2018 <i>Rmb'000</i> (Audited)
Non-current assets	21,701,248	21,599,845
Current assets	73,742,239	57,913,309
Current liabilities	46,347,092	<u>35,267,409</u>
Net current assets	<u>27,395,147</u>	<u>22,645,900</u>
Total assets less current liabilities	<u>49,096,395</u>	<u>44,245,745</u>
Non-current liabilities	<u>15,725,528</u>	<u>12,541,552</u>
	<u>33,370,867</u>	<u>31,704,193</u>
Capital and reserves		
Share capital	4,343,115	4,343,115
Reserves	<u>19,715,131</u>	<u>18,490,045</u>
Equity attributable to owners of the Company	24,058,246	22,833,160
Non-controlling interests	<u>9,312,621</u>	<u>8,871,033</u>
	<u>33,370,867</u>	<u>31,704,193</u>

*Note: The Company and its subsidiaries have adopted HKFRS 16 “Leases” (“HKFRS 16”) from January 1, 2019, except for short-term leases and leases for which the underlying asset is of low value, all leases are recognised in right-of-use assets and lease liabilities since the initial adoption of HKFRS 16 on January 1, 2019, without restating comparative information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the three months ended March 31,	
	2019	2018
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Net cash (used in) from operating activities	(89,066)	1,477,265
Net cash used in investing activities	(1,451,105)	(1,341,105)
Net cash from financing activities	3,678,375	1,707,622
Net increase in cash and cash equivalents	2,138,204	1,843,782
Cash and cash equivalents at beginning of the Period	6,477,724	5,588,814
Effect of foreign exchange rate changes	(866)	(1,975)
Cash and cash equivalents at end of the Period	8,615,062	7,430,621

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

Hangzhou, the PRC, May 5, 2019

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 other 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.