



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

To: Business Editors  
[FOR IMMEDIATE RELEASE]

**Zhejiang Expressway Announces 2006 Annual Results**  
**Net Profit Rises 15.5% to RMB1,652.9 Million**

**Financial Highlights**

- Revenue increased by 37.8% to RMB4,763.8 million.
- Profit attributable to equity holders of the Company increased by 15.5% to RMB1,652.9 million.
- Earnings per share was RMB38.06 cents.
- Final dividend of RMB20.0 cents per share recommended.

(Hong Kong, April 24, 2007) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced the audited consolidated operating results of the Company and its subsidiaries (the “Group”) for the year ended December 31, 2006 (the “Year”).

During the Year, revenue for the Group was RMB4,763.8 million, representing an increase of 37.8% over 2005. Profit attributable to equity holders of the Company was RMB1,652.9 million, representing an increase of 15.5% over 2005. Earnings per share for the Year was RMB38.06 cents (2005: RMB32.95 cents). Together with an interim dividend of RMB7.0 cents per share, total dividend for the Year amounted to RMB27.0 cents per share (2005: RMB22.0 cents).

Mr. Geng Xiaoping, Chairman of the Company said, “In 2006, the strong economic growth in Zhejiang Province during the Year continued to generate increased demand for road transport, providing an impetus for sustained growth in traffic on expressways, which in turn brought growth on both toll income and income from other expressway-related business operations of the Group.”

During the Year, total toll income from Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway amounted to RMB3,644.3 million, representing an increase of 8.8% over 2005. Toll road operations remained the mainstay of the Group and contributed approximately 74.9% of the Group’s total income.

The Shangsang Expressway, on the other hand, recorded average daily traffic volume in full-trip equivalents of 19,783, a slight drop of 0.2% year-on-year, mainly due to a parallel national road reopened to traffic and traffic diversions caused by newly opened expressways.

Expressway-related business operations continued to provide solid complementary income to the Group. During the Year, benefiting from a change in operating mode of gas stations from consigning to self-operating, as well as increased capacities after the completion of the current phase of service area expansion, income from the expressway-related business operations reached RMB1,043.4 million, representing an increase of 249.5% over 2005.

On the widening project of the Shanghai-Hangzhou-Ningbo Expressway, the last phase of the project progressed as planned along the Hangzhou-Ningbo section during the Year, with most of the foundation and structure works finished. It is expected that the widening project will be completed by the end of 2007.

With a view to strengthening the expressway network, the Company entered into agreements to acquire an aggregate of 23.45% equity interest in Zhejiang Jinhua Yongjin Expressway Co., Ltd. ("Jinhua Co.") from Jinhua Municipal Road Management Bureau and Dongyang Municipal Transport Investment Co., Ltd. for a total consideration of RMB281.4 million in cash. Jinhua Co. is the project company holding 100% equity interests in the Jinhua Section of the Ningbo-Jinhua Expressway for a concession period of 25 years. The Jinhua Section is a 69.7km four-lane expressway that was completed and opened to traffic on December 28, 2005.

Mr. Geng said, "The investment in Jinhua Co. is in line with the Company's development strategy of further expanding its expressway network within Zhejiang Province to capture a greater share of growing expressway traffic and to derive additional synergy from an expanded network. Apart from investing in Jinhua Co., we will continue to search for expressway assets with good potential for acquisitions."

Established in 1997, Zhejiang Expressway Co., Ltd. is regarded by the Zhejiang Provincial Government as its main enterprise for investing in, constructing and operating expressways and Class 1 roads in Zhejiang Province. The Company has concession rights to operate the Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway for a period of 30 years.

- End -

Encl. Consolidated Income Statement (Audited)

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**Zhejiang Expressway Co., Ltd.**  
**2006 Annual Results**

(Prepared in conformity with accounting principles generally accepted in Hong Kong)

**Consolidated Income Statement (Audited)**

**For the year ended December 31**

	<b>2006</b>	2005
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<b>4,763,780</b>	3,456,385
Operating costs	<u>(2,076,670)</u>	<u>(1,195,428)</u>
Gross profit	<b>2,687,110</b>	2,260,957
Other income	<b>203,952</b>	185,947
Administrative expenses	<b>(71,022)</b>	(62,766)
Other operating expenses	<b>(32,901)</b>	(41,635)
Finance costs	<b>(71,991)</b>	(101,343)
Share of profit of associates	<b>4,435</b>	7,217
Share of profit of a jointly-controlled entity	<u><b>23,344</b></u>	<u>16,285</u>
<b>Profit before tax</b>	<b>2,742,927</b>	2,264,662
Income tax expense	<u><b>(884,036)</b></u>	<u>(692,366)</u>
<b>Profit for the Year</b>	<u><b>1,858,891</b></u>	<u>1,572,296</u>
Attributable to:		
Equity holders of the Company	<b>1,652,871</b>	1,431,192
Minority interests	<b>206,020</b>	141,104
	<u><b>1,858,891</b></u>	<u>1,572,296</u>
<b>Dividends</b>	<u><b>1,172,641</b></u>	<u>955,485</u>
<b>Earnings per share</b>	<u><b>RMB38.06 cents</b></u>	<u>RMB32.95 cents</u>