



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 2008 First Quarterly Results &
The Passing of Dividend Proposal at the 2007 Annual General Meeting**

(Hong Kong, May 15, 2008) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended March 31, 2008 (the “Period”). The Company has also passed, among others, the resolution to pay a final dividend of HK\$26.704 cents per share at the 2007 annual general meeting (the “AGM”) the same day.

For the first quarter of 2008, revenue for the Group was RMB1,685.1 million (2007 First Quarter: RMB1,424.7 million). Profit attributable to equity holders of the Company was RMB479.1 million (2007 First Quarter: RMB536.4 million). Earnings per share for the Period was RMB11.03 cents (2007 First Quarter: RMB12.35 cents).

Mr. Geng Xiaoping, Chairman of the Company said, “As a result of the ongoing and steady implementation of the country’s macroeconomic control measures, Zhejiang Province’s GDP growth rate for the first quarter of 2008 experienced a slowdown. Meanwhile, affected by the snowstorms early this year, the traffic volumes of the Group’s two major expressways were also affected to a certain extent. However, with the efforts of the Company’s entire staff, the Group still maintained a year-on-year growth on its core toll road operations and toll road-related business operations.”

During the Period, daily average traffic volume on the Shanghai-Hangzhou-Ningbo Expressway was 40,449 full-trip-equivalents, representing an increase of 0.3% year-on-year; while toll income amounted to RMB717.2 million, an increase of 0.8% year-on-year. The Shanghai-Hangzhou-Ningbo Expressway failed to maintain its substantial growth in traffic volume as in the past, not only due to the severe snowstorms early this year but also the apparent traffic diversions caused to the Shanghai-Hangzhou section upon the completion and opening of the Hangpu Expressway. Accordingly, the traffic volume of the Shanghai-Hangzhou section witnessed a year-on-year decrease of 7.2%. However, benefiting from the completion of the whole Phase III widening works on the Shanghai-Ningbo section, some vehicles have been attracted to the section because of its availability of widened and more comfortable lanes, leading to a 6.7% year-on-year growth in traffic volume on the section.

For the Shangsang Expressway, another major expressway of the Group, as a result of traffic diversions on certain sections after being connected to neighboring expressways, the average daily traffic volume in full-trip equivalents for the expressway was 22,078 during the Period, an increase of 2.5% year-on-year; while toll income amounted to RMB213.7 million, an increase of 2.5% year-on-year.

The Company's toll road-related business operations continued to report substantial progress during the Period, with revenue rising 47.3% year-on-year to RMB437.0 million. This was mainly attributable to the official commencement of the Company's newly added pair of Chang'an service areas in the Shanghai-Hangzhou section on May 1, 2007, bringing new profit growth to the service area operations, while the increase in prices of petroleum products also brought about considerable growth in the revenue of the refueling business. In addition, the Company also acquired the 10-year operating right of the north-shore service area of the Hangzhou Bay Bridge and the 5-year operating right of the Ningbo Cicheng service area of the Shenhai Expressway. These projects are expected to make satisfactory profit contribution to the Company in the future.

Mr. Geng said, "In 2008, besides the traffic diversions faced by the Group as a result of the opening of the neighboring Hangpu Expressway, the Hangzhou Bay Bridge, which has been completed and opened to traffic in early May, will also incur further traffic diversions from the Company's expressways. However, the management believes that the Company can attract more traffic with its sound expressway management standards and ever-improving service quality. Meanwhile, the Company will continue to actively expand the service area business and increase efforts on project acquisitions, with a view to minimizing the negative impact of traffic volume caused by diversions and bringing satisfactory results to our investors."

Meanwhile, Zhejiang Expressway also announced today that the payment of a final dividend of RMB24 cents per share for the year 2007 was approved by shareholders of the Company present at the AGM. Shareholders of the Company whose names appeared in the register of members of the Company on April 20, 2008 are entitled to the said final dividend.

Pursuant to the Company's articles of association, dividends of H Shares shall be paid in Hong Kong dollars according to the average closing price of Hong Kong dollars to Renminbi declared by the People's Bank of China in the five trading days immediately preceding the date of the declaration of dividends. The applicable exchange rate for the purpose of the payment of the final dividend is therefore HK\$1.00 to RMB0.8987. The final dividend of HK\$26.704 cents per share is expected to be paid to shareholders of the H Shares of the Company on June 12, 2008.

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 the Shangsang Expressway for a period of 30 years.

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Encl. Condensed Consolidated Income Statement (Unaudited)

For further information, please contact:

Mr. Tony Zheng / Ms. Helen Wu

Zhejiang Expressway Co., Ltd.

Tel: (86571) 8798 7700

Fax: (86571) 8795 0329

Ms. Edith Lui / Ms. Libby Law

Rikes Communications Limited

Tel: (852) 2520 2201

Fax: (852) 2520 2241

Zhejiang Expressway Co., Ltd. 2008 First Quarterly Results

Condensed Consolidated Income Statement (Unaudited)

	For the three months ended March 31,	
	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,685,068	1,424,704
Operating costs	(807,073)	(667,955)
Gross profit	877,995	756,749
Other income	(80,916)	119,026
Administrative expenses	(14,374)	(15,274)
Other expenses	(7,445)	(6,306)
Finance costs	(19,537)	(21,401)
Share of (loss) profit of associates	(4,946)	370
Share of profit of a jointly controlled entity	4,098	4,731
Profit before tax	754,875	837,895
Income tax expense	(188,960)	(176,317)
Profit for the Period	565,915	661,578
Attributable to:		
Equity holders of the Company	479,119	536,393
Minority interests	86,796	125,185
	565,915	661,578
Earnings per share - Basic	RMB11.03 cents	RMB12.35 cents