



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 Interim Results

***Traffic volume hit by diversions and decelerating economy,
Service area business injected with new growth momentum***

(Hong Kong, August 4, 2008) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH; ADR code: ZHEXY) today announced the unaudited consolidated operating results of the Company and its subsidiaries (the “Group”) for the six months ended June 30, 2008 (the “Period”).

During the Period, revenue for the Group amounted to RMB3,410.10 million (2007 interim: RMB3,381.51 million), while profit attributable to equity holders of the Company amounted to RMB1,049.40 million (2007 interim: RMB1,197.12 million). Earnings per share for the Period was RMB24.16 cents (2007 interim: RMB27.56 cents). The board of directors recommended an interim dividend of RMB7 cents per share (2007 interim: RMB7 cents per share).

Mr. Geng Xiaoping, Chairman of the Company said, “With the impact of macro-economic control measures on the China’s economy surfacing and given the unusually damaging snowstorm and earthquake in the first half of 2008, both the national and provincial economies slowed markedly in the first half of 2008. This, together with diversion impact arising from the successive openings of surrounding new expressway and bridge, has posed unprecedented challenges to the Group during the Period.”

During the Period, the daily average traffic volume in full-trip equivalents along the Shanghai-Hangzhou-Ningbo Expressway was 40,193 (same period in 2007: 42,357), while the toll income totaled RMB1,453.50 million (same period in 2007: RMB1,521.0 million). The daily average traffic volume in full-trip equivalents along the Shangsang Expressway was 21,265 (same period in 2007: 21,669), while the toll income was RMB427.0 million (same period in 2007: RMB430.80 million).

On the other hand, as Zhejiang Expressway recognizes the huge development potential of toll road-related businesses, the Company has been actively extending its competitiveness into such businesses. During the Period, the Company benefitted from the other service areas opened for business in the first half of 2008, including the Pinghu Service Area on the Hangpu Expressway, and the Wangqing Tuo Service Area and the Sicun Dian Service Area on the Beijing-Shanghai Expressway, all of which led to further growth to the income of the overall service areas business. During the Period, income of toll road-related businesses increased by 51.4% year-on-year to RMB930.20 million. Leveraging its enriched management experience in the service area business, the Company obtained further operating rights of the North-shore Service Area on the Hangzhou Bay Bridge, the Ningbo Cicheng Service Area on the Shenhai Expressway, and the Zhangching Service Area on the Shandong Jihe Expressway, injecting a new growth momentum into the Company’s future development.

Mr. Geng explained the traffic volume situation of the Group's expressways, "Despite traffic diversions being brought to the Group's expressways by the successive openings of the Hangpu Expressway and the Hangzhou Bay Bridge, traffic diversions caused by the Hangpu Expressway's opening to traffic have been stabilizing. The Group anticipates that upon a further stabilization of diversions in the future, networking effects among expressways will generate new growth to the Group's expressways. Moreover, the completion of the eight-lane widening project on the Shanghai-Hangzhou-Ningbo Expressway and the full-scale introduction of the Company's self-developed non-stop ETC system in early April have significantly enhanced the smoothness and comfort level of the Group's expressways, effectively attracting more road users to our expressways."

On the securities business, notwithstanding that the business performance of Zheshang Securities was affected by substantial corrections of the mainland's stock market in the first half of 2008, the securities business recorded an operating income of RMB706.50 million during the Period. The introduction of new securities products in the future is expected to create new income platforms for the securities business, thereby generating higher profitability.

As to the market's long expected toll-by-weight policy for trucks, Mr. Geng remarked, "The toll-by-weight policy is expected to be implemented by the end of this year or early-2009 at the earliest. The Company believes that the implementation of such policy will help reduce overloaded trucks, thereby lowering expressway maintenance costs over the long run. That will certainly bring positive impact to the development of the toll road business of the Group."

Looking ahead, Mr. Geng said, "Even though Zhejiang Province's economic growth rate had slowed down, it has maintained a healthy and rapid momentum, with its growth rate continuing to take a lead above the national average. Through concerted efforts of all staff of the Group, we will study measures to attract traffic, while actively seeking suitable expressway assets for acquisition and searching for new income platforms, with a view to achieving greater profitability and bringing satisfactory operating results to investors."

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)

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Zhejiang Expressway Co., Ltd.
2008 Interim Results

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

Condensed Consolidated Income Statement (Unaudited)

For the six months ended June 30,

	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
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Revenue	3,410,095	3,381,505
Operating costs	(1,628,366)	(1,504,904)
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Gross profit	1,781,729	1,876,601
Other (loss) income	(64,511)	236,941
Administrative expenses	(35,720)	(34,588)
Other expenses	(18,520)	(54,459)
Finance costs	(42,521)	(26,160)
Share of profit of associates	15,459	1,316
Share of profit of a jointly-controlled entity	10,627	10,222
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Profit before tax	1,646,543	2,009,873
Income tax expense	(366,604)	(392,786)
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Profit for the Period	1,279,939	1,617,087
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Attributable to:		
Equity holders of the Company	1,049,372	1,197,119
Minority interests	230,567	419,968
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	1,279,939	1,617,087
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Dividend – Proposed Interim	(304,018)	(304,018)
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Basic earnings per share	RMB24.16 cents	RMB27.56 cents
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