



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 Recorded Net Profit of RMB1,431.8 Million
for First Three Quarters**

(Hong Kong, November 11, 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 nine months ended September 30, 2008 (the “Period”).

For the first three quarters of 2008, revenue for the Group was RMB4,998.9 million (same period in 2007: RMB5,218.4 million). Profit attributable to equity holders of the Company was RMB1,431.8 million (same period in 2007: RMB1,855.8 million). Earnings per share for the Period was RMB32.97 cents (same period in 2007: RMB42.73 cents).

Mr. Geng Xiaoping, Chairman of the Company said, “Amid the intensifying crisis in the global financial market, the world’s economic growth registered an apparent slowdown. The PRC economy is also faced with serious challenges. Zhejiang Province, where the Group’s toll road businesses are located, also witnessed a slowdown in its economic growth, registering a GDP growth of 10.6% for the first three quarters of 2008 which represented a drop of 4.1 percentage points year-on-year. Meanwhile, traffic diversions caused by newly completed neighboring roads and bridges have also brought negative impact on the traffic volumes and toll incomes generated on the two expressways of the Group.”

During the Period, the daily average traffic volume in full-trip equivalents along the Shanghai-Hangzhou-Ningbo Expressway was 39,046, a decrease of 8.4% year-on-year, while total toll income for the Period totaled RMB2,147.4 million, a decrease of 7.7% year-on-year. The daily average traffic volume in full-trip equivalents along the Shangsang Expressway was 20,660, a decrease of 4.6% year-on-year, while total toll income for the Period was RMB628.3 million, representing a 3.9% drop year-on-year.

The Group’s toll road-related businesses continued to report substantial progress during the Period, with revenue rising 55.4% year-on-year to RMB1,399.5 million. The continued growth in revenue of toll road-related businesses was mainly stimulated by the increase in retail prices of petroleum products, which brought about considerable growth in revenue for the gas station operation. In addition, the successive openings of the Company’s new service areas in the first half of 2008 had brought about considerable growth in revenue for the entire service area operation.

During the Period, the sentiment in the PRC stock market continued to be bearish, leading to substantial decreases in turnovers. As a result, the operating income of the securities business decreased by 36.8% year-on-year to RMB971.1 million, of which brokerage commission income amounted to RMB853.8 million, a decrease of 41.1% year-on-year; and bank interest income amounted to RMB117.3 million, an increase of 38.0% year-on-year. In addition, due to a sharp correction in the PRC stock market, the proprietary securities trading business recorded a loss of RMB323.9 million as accounted for in the income statement.

Looking forward, Mr. Geng said, “The Group is faced with unprecedented challenges in 2008. Apart from the slowdown in growth of the macro-economy, the Hangzhou Bay Bridge which was opened to truck traffic starting from October 11 is expected to cause further traffic diversions from the two expressways of the Group. Facing such challenges, the Group will continue to reduce operational costs, such as maintenance expenses, and will further expand its service areas operations, with a view to enhancing the profitability of the Company. In addition, the implementation of the toll-by-weight policy for trucks in mid-2009 and the further development of the unified non-stop electronic toll collection system in the future are expected to bring positive impact upon the development of the toll road business of the Group. The Group will also continue to seek timely injection of assets from the parent company and to identify new income platforms so as to reward investors with profitable returns.”

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.
Results for the First Three Quarters of 2008

Condensed Consolidated Income Statement (Unaudited)

	For the nine months ended September 30,	
	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4,998,917	5,218,435
Operating costs	(2,523,595)	(2,234,410)
Gross profit	2,475,322	2,984,025
Other (loss) income	(176,596)	569,137
Administrative expenses	(53,581)	(56,084)
Other expenses	(27,773)	(62,579)
Finance costs	(65,100)	(55,834)
Share of profit of associates	7,419	2,129
Share of profit of a jointly controlled entity	17,203	14,628
Profit before tax	2,176,894	3,395,422
Income tax expense	(497,214)	(914,196)
Profit for the Period	1,679,680	2,481,226
Attributable to:		
Equity holders of the Company	1,431,827	1,855,829
Minority interests	247,853	625,397
	1,679,680	2,481,226
Earnings per share - Basic	RMB32.97 cents	RMB42.73 cents