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)

2020 THIRD QUARTERLY RESULTS ANNOUNCEMENT

The directors (the "**Directors**") of Zhejiang Expressway Co., Ltd. (the "**Company**") are pleased to announce the third quarterly results of the Company and its subsidiaries (the "**Group**") for the nine months ended September 30, 2020 (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 2019:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the nine months ended September 30,	
	2020	2019
	Rmb'000	*Rmb'000*
	(Unaudited)	(Unaudited)
Revenue	**7,898,066**	8,779,839
Including: Interest under effective interest method	**1,288,292**	1,164,869
Operating costs	**(5,255,247)**	(4,562,696)
Gross profit	**2,642,819**	4,217,143
Securities investment gains	**1,244,191**	1,113,057
Other income and gains and losses	**440,645**	222,288
Administrative expenses	**(68,058)**	(77,898)
Other expenses	**(93,275)**	(64,253)
Impairment losses under expected credit loss model, net of reversal	**(89,481)**	(6,220)
Share of profit of associates	**552,281**	497,169
Share of (loss) profit of a joint venture	**(2,497)**	27,133
Finance costs	**(1,351,929)**	(1,195,846)

	For the nine months ended September 30,	
	2020	2019
	Rmb'000	*Rmb'000*
	(Unaudited)	(Unaudited)
Profit before tax	**3,274,696**	4,732,573
Income tax expense	**(732,730)**	(1,045,610)
Profit for the Period	**2,541,966**	3,686,963
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of financial statements of foreign operations	**(1,103)**	309
Other comprehensive (loss) income for the Period, net of income tax	**(1,103)**	309
Total comprehensive income for the Period	**2,540,863**	3,687,272
Profit for the Period attributable to:		
Owners of the Company	**1,978,905**	3,117,514
Non-controlling interests	**563,061**	569,449
	2,541,966	3,686,963
Total comprehensive income attributable to:		
Owners of the Company	**1,978,427**	3,117,659
Non-controlling interests	**562,436**	569,613
	2,540,863	3,687,272
Earnings per share		
Basic (Rmb cents)	**45.56**	71.78
Diluted (Rmb cents)*	**45.56**	68.44

**Note*: For the nine months ended September 30, 2020, the computation of diluted earnings per share does not assume the conversion of outstanding convertible bonds issued by the Company, since their exercise would result in an increase in earnings per share.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at September 30, 2020 *Rmb'000* **(Unaudited)**	As at December 31, 2019 *Rmb'000* (Audited)
Non-current assets	**34,884,396**	35,873,185
Current assets	**86,783,080**	68,703,769
Current liabilities	**59,531,644**	50,057,870
Net current assets	**27,251,436**	18,645,899
Total assets less current liabilities	**62,135,832**	54,519,084
Non-current liabilities	**26,058,677**	22,536,973
	36,077,155	31,982,111
Capital and reserves		
Share capital	**4,343,115**	4,343,115
Reserves	**18,921,101**	17,250,900
Equity attributable to owners of the Company	**23,264,216**	21,594,015
Non-controlling interests	**12,812,939**	10,388,096
	36,077,155	31,982,111

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended September 30,	
	2020	2019
	Rmb'000	*Rmb'000*
	(Unaudited)	(Unaudited)
Net cash (used in) generated from operating activities	**(1,289,531)**	1,061,431
Net cash used in investing activities	**(858,159)**	(691,016)
Net cash generated from financing activities	**3,712,201**	3,568,411
Net increase in cash and cash equivalents	**1,564,511**	3,938,826
Cash and cash equivalents at beginning of the Period	**8,076,598**	6,601,784
Effect of foreign exchange rate changes	**(1,103)**	309
Cash and cash equivalents at end of the Period	**9,640,006**	10,540,919

On behalf of the Board
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, October 30, 2020

As at the date of this announcement, the Chairman of the Company is Mr. YU Zhihong; the executive directors of the Company are: Mr. CHEN Ninghui and Ms. LUO Jianhu; the non-executive directors of the Company are: Mr. DAI Benmeng, Mr. YUAN Yingjie, and Mr. FAN Ye; and the independent non-executive directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. CHEN Bin.