



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

Stock Code : 0576

*Enhancing Value through
Extending Our Competitiveness.*

Enhancing Value through Extending Our Competitiveness.

According to historical texts, back in Qin Dynasty, Xi Hu (the West Lake) was only a bay connected to Qiantang River. After changes in the natural landscape and the dredges and management by various great men over the centuries, Xi Hu has gradually become a glowing pearl of worldwide fame.

To make Xi Hu even more glowing, Hangzhou Municipality has been actively pursuing a comprehensive protection project for Xi Hu in recent years. Based on Southern Song Dynasty's "Ten Views of Xi Hu" and the "New Ten Views of Xi Hu" named in 1985, over 100 sceneries of Xi Hu have been restored and renovated in years of effort. The effort gave rise to the "Third Review on Ten Views of Xi Hu" in 2007, with a view to covering certain newly renovated sceneries. Such new sceneries include the "Sunny and Rainy Lakeside", the revived lakeside scenic area at Xi Hu, the "Nostalgia of North Hill Street", an area with restored historical and cultural sites, and the "Admired Road at Yang Gong Causeway", which embodies the Xi Hu westward expansion project.

After continuous changes and renovation, Xi Hu has been turning out new sceneries. Similarly, Zhejiang Expressway has been moving ahead with time as well, striving for continued progress for its business and adding further "bright spots" atop its existing foundation, with a view to maximizing shareholders' value.

In late 2007, the eight-lane widening project of the Shanghai-Hangzhou-Ningbo Expressway was fully completed. This has substantially smoothed the traffic and improved the comfort level for traveling along the Company's core asset, unfolding a new chapter for the development of Zhejiang Province's transportation network as well as for the Company's business. Meanwhile, as it sees the important conducive role of toll road-related businesses upon the Company's principal business, the Company has been actively developing such businesses in recent years. The successive commencement of operations of new service areas has brought to the Company substantial profit contributions and has added value to expressway users. In addition, in order to enhance traffic efficiency and service quality, a non-stop electronic toll collection system has been introduced to the Company's toll stations to reduce vehicle waiting time at toll stations, thereby further raising service quality.

In the future, the Company will thrive beyond its past achievements and will actively reinforce its operating capabilities in the spirit of "Understand Deficiencies, Stay Alert to Risks and Seek Progress Ahead", so as to extend its competitiveness on the basis of its existing businesses and maximize its value.

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2008 Interim Results

The directors (the “Directors”) of Zhejiang Expressway Co., Ltd. (the “Company”) hereby present the unaudited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2008 (the “Period”), with the basis of preparation as stated in note 1 to the condensed consolidated financial statements set out below.

During the Period, revenue for the Group was Rmb3,410.1 million, representing an increase of 0.8% over the same period in 2007. Profit attributable to equity holders of the Company was Rmb1,049.4 million, representing a decrease of 12.3% year-on-year. Earnings per share for the Period was Rmb24.16 cents, representing a decrease of 12.3% over the same period in 2007.

The Directors have recommended to pay an interim dividend of Rmb7 cents per share, subject to shareholders’ approval at the extraordinary general meeting of the Company expected to be held on September 22, 2008.

The audit committee of the Company has reviewed the interim report.

Business Review

The impact from the implementation of the macro-economic control measures in recent years on the economy of the PRC has gradually surfaced. The unusually damaging snowstorm and earthquake occurring in the first half of 2008 further affected the economy in most of the regions in the PRC. As a result, the national rate of economic growth in the first half of 2008 witnessed an obvious slowdown compared to last year and the GDP increased by 10.4% year-on-year, with the growth rate decreased by 1.1 percentage point. Affected by the overall atmosphere during the Period, the economy of Zhejiang Province — which had undergone continued substantial growth during the past decade — came across with an apparent slowdown. Zhejiang Province's GDP grew by 11.4% year-on-year in the first half of the year, with the growth rate decreased by 3.3 percentage points.

Due to the decelerating growth in the macro-economy and diversion impact arising from successive opening-to-traffic of surrounding new expressway and bridge in the first half of 2008, the Group's income for the Period was basically at par with that of last year. The Group realized a total income of Rmb3,517.2 million, of which Rmb1,880.5 million was attributable to the two major expressways owned and operated by the Group, representing 53.5% of the total income; Rmb930.2 million was attributable to the Group's toll road-related businesses, representing 26.4% of the total income; and Rmb706.5 million was attributable to the securities business against the backdrop of a bearish stock market in the PRC, representing 20.1% of the total income.

During the Period, toll income from toll road operations decreased by 3.7% over the same period in 2007, while income from toll road-related businesses grew 51.4% over the same period in 2007. A breakdown of the Group's income for the Period is set out below:

	For the six months ended June 30,		
	2008 Rmb'000	2007 Rmb'000	% Change
Toll income			
Shanghai-Hangzhou-Ningbo Expressway	1,453,567	1,521,028	-4.4%
Shangsan Expressway	426,970	430,778	-0.9%
Other income			
Service areas	888,000	579,844	53.1%
Advertising	42,196	34,400	22.7%
Securities business	706,454	943,018	-25.1%
Subtotal	3,517,187	3,509,068	0.2%
Less: Revenue taxes	(107,092)	(127,563)	-16.0%
Revenue	3,410,095	3,381,505	0.8%

Business Review

TOLL ROAD OPERATIONS

Toll income from the two expressways owned by the Group declined due to a slowdown in the rate of growth of the macro-economy as well as the successive completion and opening-to-traffic of the Hangpu Expressway and the Hangzhou Bay Bridge which had led to marked diversions in traffic on the two expressways. In addition, the major snowstorm at the beginning of the year impeded vehicle traffic, and the Zhejiang Provincial Government rolled out preferential policies for certain truck traffic in view of the snowstorm, both of which led to a decline in toll income from the two expressways.

The main reasons for a marked slowdown of the daily average traffic volume in full-trip equivalents along the Shanghai-Hangzhou section of the Shanghai-Hangzhou-Ningbo Expressway during the Period were: 1) traffic on the Shanghai-Hangzhou section was initially diverted after the official opening-to-traffic of the Hangpu Expressway on January 29, 2008; and 2) traffic on the Shanghai-Hangzhou section was further diverted upon the trial opening-to-traffic of the Hangzhou Bay Bridge on May 1, 2008.

The Hangzhou-Ningbo section of the Shanghai-Hangzhou-Ningbo Expressway was also affected by traffic diversions caused by the Hangzhou Bay Bridge. However, the completion of the phase III widening works at the end of 2007 had positive impacts upon this section, which resulted in a lower rate of decrease in traffic volume on this section than the Shanghai-Hangzhou section.

During the Period, the Shangsang Expressway lost some through-traffic because of the opening-to-traffic of the Hangzhou Bay Bridge in May, resulting in a relatively substantial decline in traffic volume since May.

In addition, given the impact brought by the snowstorm at the beginning of the year, to ease the pressure of inflation, as well as to ensure the timely supply of agriculture goods and products to the market, the Zhejiang Provincial Government implemented a measure on the opening of “Green Lanes” for transporting fresh agricultural goods and products on all toll roads in the entire province effective from February 7, 2008. This refers to the waiving of toll fees for trucks travelling on toll roads originating from both within and outside the province that delivered fresh agricultural products. The implementation of such measures had reduced the toll income of the two expressways operated by the Group.

Accordingly, traffic volume and toll incomes generated on all expressway sections operated by the Group recorded year-on-year decreases during the Period. The average daily traffic volume in full-trip equivalents along the Shanghai-Hangzhou-Ningbo Expressway was 40,193 during the Period, representing a decrease of 5.1% year-on-year. In particular, the average daily traffic volume in full-trip equivalents along the Shanghai-Hangzhou section of the Shanghai-Hangzhou-Ningbo Expressway experienced a decrease of 13.4% year-on-year, and that along the Hangzhou-Ningbo section experienced an increase of 2.9% year-on-year. The average daily traffic volume in full-trip equivalents along the Shangsang Expressway was 21,265 during the Period, representing a decrease of 1.9% year-on-year.

The toll income from the Shanghai-Hangzhou-Ningbo Expressway during the Period was Rmb1,453.5 million, representing a decrease of 4.4% year-on-year. The toll income from the Shangsang Expressway during the Period was Rmb427.0 million, representing a decrease of 0.9% year-on-year.

TOLL ROAD-RELATED BUSINESS OPERATIONS

The Company also operates certain toll road-related businesses through its subsidiaries and associated companies along its expressways, including gas stations, restaurants and shops in service areas, as well as roadside advertising and vehicle service businesses.

During the Period, the rate of increase in income from the service areas along the Shanghai-Hangzhou-Ningbo Expressway and the Shangsang Expressway slowed down due to the decline in traffic volume along the two expressways. However, there were 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 the Company won biddings in 2007. The addition of these service areas led to further growth in the income from the service area business. Meanwhile, the increase in unit retail prices of petroleum products also brought in considerable growth in income from the gas station operation. As a result, during the Period, income from toll road-related business operations amounted to Rmb930.2 million, representing a year-on-year increase of 51.4%. During the Period, leveraging its impressive operating results and extensive management experience in the service area business, the Company further obtained 10-year operating rights of the North-shore Service Area on the Hangzhou Bay Bridge, 5-year operating rights of the Ningbo Cicheng Service Area on the Shenhai Expressway, and 8-year operating rights of the Zhangching Service Area on the Shandong Jihe Expressway.

SECURITIES BUSINESS

During the Period, trading volume on the stock markets shrank substantially in May and June in the PRC against the backdrop of a continued ailing stock market in the first half of 2008, having substantial impact on the performance of the securities business of the Group. During the Period, the Group's securities business realized an operating income of Rmb706.5 million, representing a year-on-year decrease of 25.1%. Of such income, Rmb626.8 million was brokerage commission income, representing a year-on-year decrease of 30.3%; bank interest income amounted to Rmb79.7 million, representing a year-on-year increase of 82.7%; and the proprietary securities trading business recorded a loss of Rmb172.5 million as accounted for in the income statement.

LONG-TERM INVESTMENTS

During the Period, the ancillary works following the widening works on the 9.45km Shida Road owned and operated by Hangzhou Shida Highway Co., Ltd. ("Shida Co", a 50% owned jointly-controlled entity of the Company) hindered traffic capacity on certain sections of the road, resulting in an 8.0% decrease in traffic volume year-on-year. Toll income from Shida Road during the Period decreased by 7.1% year-on-year, amounting to Rmb43.4 million; while net profit realized during the Period was Rmb21.3 million, representing a year-on-year increase of 4.0%.

Zhejiang Expressway Petroleum Development Co., Ltd. ("Petroleum Co", a 50% owned associate of the Company) benefited from the surge in gasoline prices, leading to a 10.1% growth in income year-on-year for the associate company, while net profit realized during the Period was Rmb12.0 million, representing a year-on-year increase of 43.2%.

Business Review

Zhejiang Jinhua Yongjin Expressway Co., Ltd. (“Jinhua Co”, a 23.45% owned associate of the Company) owns the entire interest in the 69.7km Jinhua section of the Ningbo-Jinhua Expressway. During the Period, the average daily traffic volume in full-trip equivalents along the section was 7,614, representing an increase of 6.6% year-on-year; while toll income amounted to Rmb73.7 million, an increase of 6.5% year-on-year. However, due to heavy financial burdens, the associate company incurred a loss of Rmb53.1 million during the Period.

Zhejiang Concord Property Investment Co., Ltd. (“Concord Property”, an associate 45% owned by Zhejiang Expressway Investment Development Co., Ltd., a subsidiary of the Company) realized a properties sales income of Rmb583.0 million and recorded a net profit of Rmb48.7 million during the Period.

HUMAN RESOURCES

There were no significant changes to the Company's overall number of employees, remuneration policies, bonus schemes and training schemes from what have been disclosed in the Company's latest annual report.

Financial Analysis

The Group adopts a prudent financial policy with an aim to providing shareholders with sound returns over the long-term.

During the Period, the Group's return on equity was 8.0%, representing a decrease of 18.5% over the same period in 2007.

LIQUIDITY AND FINANCIAL RESOURCES

As at June 30, 2008, current assets of the Group amounted to Rmb11,521.2 million in aggregate (December 31, 2007: Rmb12,194.1 million), of which bank balance and cash accounted for 26.1% (December 31, 2007: 24.9%), bank balance held on behalf of customers accounted for 60.2% (December 31, 2007: 59.4%) and held-for-trading investments accounted for 2.0% (December 31, 2007: 5.1%). Current ratio (current assets over current liabilities) as at June 30, 2008 was 1.2 (December 31, 2007: 1.2).

	As at June 30, 2008 Rmb'000	As at December 31, 2007 Rmb'000
Cash and Cash equivalents	2,782,297	2,773,811
Renminbi	2,755,567	2,748,980
US dollar equivalent	23,148	21,507
HK equivalent	3,582	3,324
Time deposits (Renminbi)	188,817	226,972
Held-for-trading investments (Renminbi)	227,894	621,220
Available-for-sale investments (Renminbi)	436,532	595,758
Held-to-maturity investments (Renminbi)	200,000	—
Total	3,835,540	4,217,761
Renminbi	3,808,810	4,192,930
US dollar equivalent	23,148	21,507
HK equivalent	3,582	3,324

Held-for-trading investments of the Group as at June 30, 2008 amounted to Rmb227.9 million (December 31, 2007: Rmb621.2 million), of which 77.8% was invested in the stock market, of which 13.4% was invested in corporate bonds while the rest was invested in open-end equity funds.

During the Period, net cash inflow generated from the Group's operating activities was sufficient, amounting to Rmb1,160.2 million.

The Directors do not expect the Company to experience any problem with liquidity and financial resources in the foreseeable future.

Financial Analysis

BORROWINGS AND SOLVENCY

As at June 30, 2008, total liabilities of the Group amounted to Rmb10,910.9 million (December 31, 2007: Rmb11,748.5 million), of which 19.0% was borrowings and 63.5% was customer deposits arising from securities dealings.

Total interest-bearing borrowings of the Group as at June 30, 2008 amounted to Rmb2,069.1 million, representing an increase of 27.6% over the beginning of the year. The borrowings comprised outstanding balances of the World Bank loans, denominated in US dollar, of approximately Rmb505.1 million in Renminbi equivalent; loans from foreign-owned banks in the country, denominated in HK dollar, of Rmb336.6 million in Renminbi equivalent; government loans of Rmb37.4 million; loans from domestic commercial banks totaling Rmb190.0 million; and corporate bonds amounting to Rmb1 billion that was issued by the Company in 2003 for a term of 10 years. Of the interest-bearing borrowings, 61.5% were not repayable within one year. Details of these balances are as follows:

	Maturity Profiles			
	Gross amount Rmb'000	Within 1 year Rmb'000	>1 year to 5 years Rmb'000	Beyond 5 years Rmb'000
Floating rates				
World Bank Loan	505,063	232,698	272,365	—
Fixed rates				
Domestic commercial bank loans	190,000	190,000	—	—
A domestic foreign-owned bank loan	336,643	336,643	—	—
Corporate bonds	1,000,000	—	1,000,000	—
Government loans	37,400	37,400	—	—
Total as at June 30, 2008	2,069,106	796,741	1,272,365	—
Total as at December 31, 2007	1,621,990	288,045	333,945	1,000,000

As at June 30, 2008, the Group's loans from domestic commercial banks comprised half-year and one-year short-term loans, with interest rates fixed between 5.913% and 7.47% p.a.; the interest rate for government loans was fixed at 3.00% per annum; and the annual coupon rate for corporate bonds was fixed at 4.29%, with interest payable annually. The annual interest rate for customer deposits arising from securities dealing was fixed at 0.72%; the annual floating rate of the Group's World Bank loans, denominated in US dollar, was 5.36%; and the annual interest rate of the Group's loans, denominated in HK dollar, was at 5.371%.

Total interest expense for the Period amounted to Rmb42.5 million, while profit before interest and tax amounted to Rmb1,689.1 million. The interest cover ratio (profit before interest and tax over interest expenses) stood at 39.7 (June 30, 2007: 45.2).

The asset-liability ratio (total liabilities over total assets) was 41.1% as at June 30, 2008 (December 31, 2007: 42.7%).

CAPITAL STRUCTURE

As at June 30, 2008, the Group had Rmb15,660.8 million total equity, Rmb8,489.2 million fixed-rate liabilities, Rmb505.1 million floating-rate liabilities and Rmb1,916.6 million interest-free liabilities, representing 58.9%, 32.0%, 1.9% and 7.2% of the Group's total capital, respectively. The gearing ratio, which was computed by dividing the total liabilities less balance of customer deposits arising from securities dealing by total equity, was 25.4% as at June 30, 2008 (December 31, 2007: 28.8%).

CAPITAL EXPENDITURE COMMITMENTS AND UTILIZATION

Capital expenditures of the Group and of the Company for the Period totaled Rmb83.0 million and Rmb31.8 million, respectively, with Rmb38.2 million attributable to the acquisition of equipment and Rmb39.7 million attributable to the widening project.

Capital expenditures committed by the Group and by the Company as at June 30, 2008 totaled Rmb1,659.4 million and Rmb836.0 million, respectively. Amongst the total capital expenditures committed by the Group, Rmb1,041.4 million will be used on the remaining construction work of the widening project, while Rmb49.2 million will be used on service area renovation and/or expansion.

The Group will finance its above mentioned capital expenditure commitments with internally generated cash flow, and preferably with debt financing to meet any shortfalls thereof.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Company's commodity-linked 1-year structured deposits of Rmb200.0 million with a minimum yield rate of 4% was a pledge provided to a domestic foreign-owned bank for a Hong Kong dollar-denominated loan of Rmb336.6 million in Renminbi equivalent which had the same term as the Hong Kong dollar loan.

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at June 30, 2008.

FOREIGN EXCHANGE EXPOSURE

Except for the repayment of a World Bank loan of Rmb505.1 million equivalent in US dollars, as well as repayment of the loan from foreign-owned bank in the country of Rmb336.6 million equivalent in HK dollars and dividend payments to holders of H shares in Hong Kong dollars, the Group's principal operations are transacted and booked in Renminbi. Therefore, the Group's exposure to foreign exchange fluctuations is limited and the Group has not used any financial instrument for hedging purposes during the Period.

Although the Directors do not foresee any material foreign exchange risks for the Group, there is no assurance that foreign exchange risks will not affect the operating results of the Group in the future.

Financial Analysis

The directors of the Company duly confirm that, to the best of their knowledge:

- the condensed consolidated financial statements prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants give a true and fair view of the assets, liabilities, financial position and profit of the Group as a whole and the undertakings included in the consolidation taken; and
- the business review included in this interim report includes a fair review of the development and performance of the business and the position of the Group as a whole and the undertakings included in the consolidation taken, together with a description of the principal risks and uncertainties that the Group faces.

The detrimental natural disasters in the first half of 2008 had a negative impact on the PRC economy which used to enjoy a fast-growing GDP. Zhejiang's provincial economy showed an obvious slowdown amid macro-economic control measures, leading to a certain decline in the rate of growth on the volume of transport in goods and passengers within the province in the first half of 2008. As a result, the growth of traffic volume on various expressways within the province, which was closely related to the above factors, had shown various degrees of decline.

As the Hangzhou Bay Bridge will be open to trucks in the future, further diversions of truck traffic along the Group's expressways is expected. Except for the above-mentioned truck diversions, traffic diversions caused by the HangPu Expressway's opening to traffic have been gradually stabilizing. The diversion impact has been largely in line with the expectation of the Company. Meanwhile, it is expected that upon a further stabilization of diversions in the future, networking effects among different expressways will generate new growth for the two expressways operated by the Group.

During the Period, the Group's toll road-related business operations continued its robust growth. The service area operation, having extended beyond Zhejiang Province, experienced new growth of income in the first half of the year. Meanwhile, for the securities business that had brought certain uncertainties to the Group, the introduction of new securities products in the future is expected to create new income platforms for the securities business, thereby generating higher profitability.

The Company's self-developed non-stop electronic toll collection system was fully opened to the general public in early April upon the completion of various trials. Meanwhile, the Company actively pursued efforts to facilitate the works on the inter-connected non-stop toll system for expressways within the Yangtze River Delta Region. It is believed that such system would bring further convenience to users who shuttle across expressways within the region in the future.

Meanwhile, a toll-by-weight policy for trucks is scheduled to be implemented by end of the year or in early 2009. We believe that the implementation of such policy will help reduce the amount of overloaded trucks along expressways, which will in turn reduce road maintenance costs of the Group in the long run.

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 draw greater traffic volumes, actively seek suitable acquisitions, identify new sources of income, and achieve greater profitability so as to bring satisfactory operating results to our investors.

Disclosure of Interests and Other Matters

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor its subsidiaries has purchased, sold, redeemed or cancelled any of the Company's shares during the Period.

DISCLOSURE OF DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2008, the interests of the Directors, Supervisors and chief executives in the share capital of the Company's associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions in shares of Zhejiang Expressway Investment Development Co., Ltd.

Name	Position	Contribution of registered capital (Rmb)	Nature of interest	Percentage of the associated corporation's registered capital
Mr. Geng Xiaoping	Chairman	3,600,000	Directly Beneficially owned	3.00%
Mr. Fang Yunti	Director/General Manager	2,880,000	Same as above	2.40%
Mr. Jiang Wenyao	Director	1,980,000	Same as above	1.65%
Mr. Zhang Jingzhong	Director	1,650,000	Same as above	1.38%
Mr. Fang Zhexing	Supervisor	1,050,000	Same as above	0.88%

Save as disclosed above, as at June 30, 2008, none of the Directors, Supervisors and chief executives had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

As at June 30, 2008, the following shareholders held 5% or more of the issued share capital of the Company according to the register of interests in shares required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Number of shares	Percentage of share capital (domestic shares)
Zhejiang Communications Investment Group Co., Ltd.	2,432,500,000	83.61%
Huajian Transportation Economic Development Center	476,760,000	16.39%

Name	Number of shares	Percentage of share capital (H shares)
Baillie Gifford & Co.	199,970,275 (long position)	13.94%
JPMorgan Chase & Co.	162,291,593 (long position)	11.32%
	2,837,000 (short position)	0.20%
	154,149,950 (lending pool)	10.75%
T.Rowe Price Associates	129,224,000 (long position)	9.01%
Aberdeen Asset Management Plc and its Associates	99,866,170 (long position)	6.96%
The Bank of New York Mellon Corporation	86,170,381 (long position)	6.01%

Save as disclosed above, as at June 30, 2008, no person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Disclosure of Interests and Other Matters

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE

The Company was in compliance with the code provisions in the Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the Period.

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules. The Directors have confirmed their full compliance with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions during the Period.

By order of the Board
Zhejiang Expressway Co., Ltd.
GENG Xiaoping
Chairman

Hangzhou, the PRC, August 26, 2008

Condensed Consolidated Income Statement (Unaudited)

				For the six months ended June 30,	
	Notes	2008 Rmb'000	2007 Rmb'000		
Revenue	3	3,410,095	3,381,505		
Operating costs		(1,628,366)	(1,504,904)		
Gross profit		1,781,729	1,876,601		
Other (loss) income	4	(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		
Profit before tax		1,646,543	2,009,873		
Income tax expense	5	(366,604)	(392,786)		
Profit for the Period		1,279,939	1,617,087		
Attributable to:					
Equity holders of the Company		1,049,372	1,197,119		
Minority interest		230,567	419,968		
		1,279,939	1,617,087		
Dividends					
Proposed interim	6	(304,018)	(304,018)		
Basic earnings per share	7	24.16 cents	27.56 cents		

Condensed Consolidated Balance Sheet

	Notes	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited (Restated)
Non-current assets			
Property, plant and equipment	8	945,846	906,877
Prepaid lease payment	9	57,963	58,712
Goodwill		86,867	86,867
Other intangible assets		159,901	162,226
Interests in associates		494,697	479,238
Interest in a jointly-controlled entity		111,132	100,505
Available-for-sale investments		1,000	1,000
Expressway operating rights	10	13,193,025	13,523,269
		15,050,431	15,318,694
Current assets			
Inventories		18,945	14,558
Trade receivables	11	78,450	82,677
Other receivables	12	597,565	587,362
Prepaid lease payments	9	1,498	1,498
Held-for-trading investments		227,894	621,220
Available-for-sale investments		436,532	595,758
Held-to-maturity investments		200,000	—
Bank balances held on behalf of customers		6,938,363	7,239,389
Bank balances and cash			
– Restricted bank balances		35,000	35,000
– Time deposits with original maturity over three months		188,817	226,972
– Cash and cash equivalents		2,782,297	2,773,811
		11,505,361	12,178,245
Assets classified as held for sale		15,865	15,865
		11,521,226	12,194,110
Current liabilities			
Trade payables	13	522,423	736,890
Accounts payable to customers arising from securities dealing business		6,925,192	7,211,261
Tax liabilities		388,078	994,727
Other taxes payable		20,950	37,888
Other payables and accruals	14	490,484	556,320
Dividends payable		65,144	33,385
Interest-bearing bank and other loans		796,741	288,045
Provisions	15	164,013	164,024
		9,373,025	10,022,540

Notes	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited (Restated)
Net current assets	2,148,201	2,171,570
Total assets less current liabilities	17,198,632	17,490,264
Non-current liabilities		
Interest-bearing bank and other loans	272,365	333,945
Long-term bonds	1,000,000	1,000,000
Deferred tax liabilities	265,468	392,005
	1,537,833	1,725,950
	15,660,799	15,764,314
Capital and reserves		
Share capital	4,343,115	4,343,115
Reserves	8,804,061	8,883,238
Equity attributable to equity holders of the Company	13,147,176	13,226,353
Minority interests	2,513,623	2,537,961
	15,660,799	15,764,314

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Company						Total	Minority interest	Total
	Share capital Rmb'000	Share premium Rmb'000	Statutory surplus reserve Rmb'000	Investment revaluation reserve Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000			
At January 1, 2007	4,343,115	3,645,726	1,656,442	—	868,623	1,379,398	11,893,304	1,459,148	13,352,452
Profit for the Period	—	—	—	—	—	1,197,119	1,197,119	419,968	1,617,087
Dividend paid to minority interests	—	—	—	—	—	—	—	(36,636)	(36,636)
Dividend paid to shareholders of the Company	—	—	—	—	(868,623)	—	(868,623)	—	(868,623)
Capital contribution	—	—	—	—	—	—	—	314,984	314,984
Proposed interim dividend	—	—	—	—	304,018	(304,018)	—	—	—
Disposal of a disposal group classified as held for resale	—	—	—	—	—	—	—	227	227
At June 30, 2007	4,343,115	3,645,726	1,656,442	—	304,018	2,272,499	12,221,800	2,157,691	14,379,491
At January 1, 2008	4,343,115	3,645,726	1,792,824	89,725	1,042,347	2,312,616	13,226,353	2,537,961	15,764,314
Net loss recognized directly in equity	—	—	—	(86,202)	—	—	(86,202)	(79,963)	(79,963)
Profit for the Period	—	—	—	—	—	1,049,372	1,049,372	230,567	1,279,939
Dividend paid to minority interests	—	—	—	—	—	—	—	(174,942)	(174,942)
Dividend paid to shareholders of the Company	—	—	—	—	(1,042,347)	—	(1,042,347)	—	(1,042,347)
Proposed interim dividend	—	—	—	—	304,018	(304,018)	—	—	—
At June 30, 2008	4,343,115	3,645,726	1,792,824	3,523	304,018	3,057,970	13,147,176	2,513,623	15,660,799

Condensed Consolidated Cash Flow Statement (Unaudited)

	For the six months ended June 30,	
	2008 Rmb'000	2007 Rmb'000
Net cash from operating activities	1,160,203	2,004,396
Net cash used in investing activities	(456,316)	(727,576)
Net cash used in financing activities	(697,018)	(78,391)
Net increase in cash and cash equivalents	6,869	1,198,429
Cash and cash equivalents at beginning of the Period	2,773,811	1,504,073
Effect of foreign exchange rate change	1,617	51
Cash and cash equivalent at end of the Period	2,782,297	2,702,553
Represented by		
Unrestricted bank balances and cash	2,648,297	2,552,553
Time deposits with original maturity of less than three months when acquired	134,000	150,000
	2,782,297	2,702,553

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting”.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2007 except as described below.

During the Period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for accounting periods beginning on or after January 1, 2008.

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

HK(IFRIC)-Int 12 gives guidance on the accounting by operators for public-to-private service concession arrangements and sets out the general principles on recognizing and measuring the obligations and related rights in service concession arrangements. For arrangements falling within its scope, depending on the terms of the arrangement, the infrastructure assets will, instead of being recognized as property, plant and equipment, be recognized as either (i) a financial asset; (ii) an intangible asset; or (iii) both a financial asset and an intangible asset.

The Group was granted by the Zhejiang Provincial Government the concessions for operating its two expressways, Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway, which included during the operating period the rights to design and construction, redevelopment and expansion, investment, operation, management and maintenance on the expressways and their ancillary facilities; and the rights to propose and collect toll incomes from vehicles using the expressways and other fees relating to the expressways and their ancillary facilities. Prior to January 1, 2008, the expressways and bridges within the scope of operation were included in property, plant and equipment, while the land use rights relating to the expressways were included in prepaid lease payments. As at January 1, 2008, due to the retrospective application of HK(IFRIC) – Int 12 being impracticable, the Group reclassified the expressways and bridges as well as the land use rights relating to the expressways as expressway operating rights, and amortized them over the remaining operating periods in accordance with the transitional provisions of HK(IFRIC) – Int 12. The restatement of the assets’ book values for 2007 has no impact on the profit for 2007 and retained profits at the beginning of the year.

Other than as described above, the adoption of the new HKFRSs had no material effect on the results and financial position of the Group. Accordingly, no prior period adjustment is required.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The effects of changes in the accounting policies are as follows:

	December 31, 2007 Rmb'000 (Originally stated)	Change Rmb'000	December 31, 2007 Rmb'000 (Restated)
Items on Balance Sheet			
Non-current assets			
Property, plant and equipment	13,906,689	(12,999,812)	906,877
Prepaid lease payments	393,424	(334,712)	58,712
Expressway operating rights	171,145	13,352,124	13,523,269
Current assets			
Prepaid lease payments	19,098	(17,600)	1,498
Total effects on assets	14,490,356	—	14,490,356

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS 1(Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³

¹ Effective for annual periods beginning on or after January 1, 2009

² Effective for annual periods beginning on or after July 1, 2009

³ Effective for annual periods beginning on or after July 1, 2008

The Directors of the Company expect that the adoption of these standards, amendments and interpretations will have no material effect on the results and financial position of the Group. The adoption of HKFRS 8 is expected to affect the presentation of segment information of the Group only.

Notes to Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION

Comparing to the same period last year, there were no material changes in the principal activities of the Group during the Period. The operating results by principal activities are summarized as follows:

	For the six months ended June 30,			
	2008		2007	
	Revenue Rmb'000 Unaudited	Gross Profit Contribution Rmb'000 Unaudited	Revenue Rmb'000 Unaudited	Gross Profit Contribution Rmb'000 Unaudited
Segment by business activities				
– Toll income	1,820,284	1,259,100	1,889,388	1,265,378
– Service areas	883,465	33,295	576,390	26,471
– Advertising	39,900	20,129	32,446	10,535
– Securities operation	666,446	469,205	883,281	574,217
	3,410,095	1,781,729	3,381,505	1,876,601
Other (loss) income		(64,511)		236,941
Administrative expenses		(35,720)		(34,588)
Other expenses		(18,520)		(54,459)
		1,662,978		2,024,495

No further analysis of the revenue and gross profit from operating activities by geographical segment was prepared as the revenue and gross profit from operating activities of the Group were all generated from within the People's Republic of China (the "PRC") during the Period.

4. OTHER (LOSS) INCOME

	For the six months ended June 30,	
	2008 Rmb'000 Unaudited	2007 Rmb'000 Unaudited
(Loss) Gain on fair value changes on held-for-trading investments	(172,468)	163,465
Interest income	24,704	10,618
Net exchange gain	41,398	16,563
Towing income	9,845	11,327
Rental income	15,238	13,478
Others	16,772	21,490
Total	(64,511)	236,941

5. INCOME TAX EXPENSES

As the Group had no taxable profits derived in Hong Kong during the Period, no Hong Kong profits tax has been provided.

The Group was subject to the PRC enterprise income tax levied at a tax rate of 25% (2007: 33%) of taxable income based on income for financial reporting purposes prepared in accordance with the laws and accounting standards in the PRC.

	For the six months ended June 30,	
	2008 Rmb'000 Unaudited	2007 Rmb'000 Unaudited
Current PRC enterprise income tax	493,141	500,657
Deferred tax:		
Current period	(126,537)	(8,706)
Attributable to a change in tax rate	—	(99,165)
	(126,537)	(107,871)
	366,604	392,786

The tax expenses for the Period can be reconciled to the profit before tax per the condensed consolidated income statement as follows:

	For the six months ended June 30,	
	2008 Rmb'000 Unaudited	2007 Rmb'000 Unaudited
Profit before tax	1,646,543	2,009,873
Tax at the PRC statutory income tax rate of 25% (2007: 33%)	411,636	663,258
Tax effect of share of profits of associates	(3,865)	(434)
Tax effect of share of profit of a jointly controlled entity	(2,657)	(3,373)
Tax effect of (income)/expense that is not taxable and deductible in determining taxable profit	(38,510)	19,128
Utilization of tax losses previously not recognized as deferred tax assets (i)	—	(186,628)
Effect on deferred tax balances due to the change in income tax rate from 33% to 25% (ii)	—	(99,165)
Tax expenses for the Period	366,604	392,786

- (i) The tax loss arose mainly from a bad debt provision made by Zheshang Securities Co., Ltd. (a 70.46% owned subsidiary of Zhejiang Shangsang Expressway Co., Ltd.) ("Zheshang Securities") in 2005 prior to its acquisition by the Group in relation to misappropriation of assets perpetrated by Kinghing Trust Investment Co., Ltd. ("Kinghing Investment"), the former majority equity owner of Zheshang Securities. The bad debt provision was treated as a non-deductible expense at the date of acquisition of Zheshang Securities by the Group in 2006. In 2007, the relevant tax authorities granted Zheshang Securities a dispensation to claim tax deduction on the bad debt provision and accordingly, the resulting tax loss was utilized in 2007.

Notes to Condensed Consolidated Financial Statements

5. INCOME TAX EXPENSES (Continued)

- (ii) On March 16, 2007, the PRC promulgated Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No.63 of the President of the PRC. On December 6, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the income tax rate from 33% to 25% for the Group from January 1, 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the assets are realized or the liability is settled.

6. DIVIDENDS

The Directors have recommended the payment of an interim dividend of Rmb7 cents per share (2007: Rmb7 cents per share), subject to shareholders' approval at the extraordinary general meeting of the Company expected to be held on September 22, 2008. The recommendation has been set out in the condensed consolidated financial statements.

7. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the Period of Rmb1,049,372,000 (2007: Rmb1,197,119,000) and the 4,343,114,500 shares (2007: 4,343,114,500 shares) in issue during the Period.

No diluted earnings per share has been calculated as there were no potential dilutive ordinary share in issue in both periods.

8. PROPERTY, PLANT AND EQUIPMENT

Except for the reclassification of expressways and bridges with a carrying amount of Rmb12,999,812,000, which was included in property, plant and equipment prior to January 1, 2008, from property, plant and equipment to expressway operating rights as a result of the change in accounting policy described in Note 2, there were no other significant changes in the Group's property, plant and equipment during the Period.

9. PREPAID LEASE PAYMENTS

	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited Restated
The Group's prepaid lease payments comprise:		
Leasehold land in the PRC		
Medium-term lease	59,461	60,210
Analysed for reporting purpose as:		
Current assets	1,498	1,498
Non-current assets	57,963	58,712
	59,461	60,210

The amount represents prepayment of rentals under operating leases for "land use rights" situated in PRC.

10. EXPRESSWAY OPERATING RIGHTS

	Rmb'000
Cost	
At January 1, 2007, December 31, 2007 (originally stated)	261,000
Transfer from property, plant and equipment, and prepaid lease payments as a result of the change in accounting policy described in Note 2	13,352,124
At December 31, 2007 (restated) and June 30, 2008	13,613,124
Amortisation	
At January 1, 2007	81,155
Charge for the year	8,700
At December 31, 2007	89,855
Charge for the Period	330,244
At June 30, 2008	420,099
Carrying values	
At June 30, 2008 (unaudited)	13,193,025
At December 31, 2007 (audited) (restated)	13,523,269

11. TRADE RECEIVABLES

The aging analyses of trade receivables at the balance sheet dates are as follows:

	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited
Within 1 year	73,406	76,930
1 to 2 years	4,181	4,181
Over 2 years	863	1,566
Total	78,450	82,677

The Group allows an average credit period of approximately 180 days.

Notes to Condensed Consolidated Financial Statements

12. OTHER RECEIVABLES

	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited
Deposits and other debtors	92,745	168,992
Prepayments	84,820	48,370
Entrusted loan to a related party (Note 17)	370,000	370,000
Loan to an associate (Note 17)	50,000	—
Total	597,565	587,362

13. TRADE PAYABLES

The aging analyses of trade payables at the balance sheet dates are as follows:

	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited
Within 1 year	491,375	701,106
1 to 2 years	20,198	25,244
2 to 3 years	8,874	9,867
Over 3 years	1,976	673
Total	522,423	736,890

14. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2008 Rmb'000 Unaudited	As at December 31, 2007 Rmb'000 Audited
Accruals	31,076	52,356
Other liabilities	456,809	501,365
Amount due to ultimate holding company	2,599	2,599
Total	490,484	556,320

15. PROVISIONS

Subsequent to the disclosure in the Company's 2007 annual report (pages 100-101) relating to "Provisions", as at the date of this announcement, the Intermediate People's Court of Jinhua Municipal had accepted the application for bankruptcy and liquidation of Kinghing Investment on January 15, 2008, and assigned the liquidation team of Kinghing Investment as the administrator.

Fourteen customers of Zheshang Securities (involving an amount of Rmb111.41 million) have all claimed their creditors' rights with the liquidation team of Kinghing Investment. Among nine of the fourteen customers who have initiated lawsuits, one has been ruled by the court of second instance to have won the proceeding and the ruling has been executed (involving an amount of Rmb3.4 million). Four customers have withdrawn while one customer has terminated the proceeding. The litigation of one customer has been referred to the Intermediate People's Court of Jinhua Municipal for judgement and those of the other two customers have been remanded by the court of second instance.

Zheshang Securities has provided guarantees for the state bond investment agency agreements entered into between Kinghing Investment and its corporate customers and individual customers involving a total amount of Rmb52.6 million. Such corporate customers and individual customers have claimed their creditors' rights with the liquidation team of Kinghing Investment.

The liquidation team of Kinghing Investment has confirmed the above claims of creditors' rights.

16. COMMITMENTS

	As at June 30, 2008		
	Commitments Rmb million	Utilization Rmb million	Balance Rmb million
Widening Project			
From Dajing to Fengjing	2,532	1,790	742
From Guzhu to Ningbo	2,218	1,919	299
Acquisition of additional 18.4% equity interest in Shangsang Co	485	—	485
Renovation of service areas	54	5	49
Remaining construction works of the Shangsang Expressway	48	6	42
Purchase of equipment	80	38	42
Total	5,417	3,758	1,659

Notes to Condensed Consolidated Financial Statements

17. RELATED PARTY TRANSACTION

The following are the related party transactions in the daily operating activities of the Group.

- 1) Pursuant to the board resolutions of the Company on December 17, 2007, the Group signed an entrusted loan contract on December 26, 2007 with Zhejiang Jinji Property Co., Ltd (“Jinji Co”), a subsidiary of Zhejiang Communication Investment Development Co., Ltd. (“Communications Investment Group”), via China Citic Bank. Pursuant to the contract, the Company agreed to provide a one-year loan of Rmb370,000,000 to Jinji Co via the bank at an interest rate of 8.97% per annum. The entrusted loan was guaranteed by the Communication Investment Group.
- 2) Pursuant to the resolutions of the annual general meeting of Zhejiang Expressway Investment Development Co., Ltd. (“Development Co”), a subsidiary of the Company, Development Co entrusted China Everbright Bank Hangzhou Zhaohui Branch to provide entrusted loans of Rmb30,000,000 and Rmb20,000,000 respectively to Zhejiang Concord Property Investment Co., Ltd., an associate of the Group for respective terms from March 25, 2008 to December 31, 2008 and from April 2, 2008 to December 31, 2008, respectively, at an interest rate of 12% per annum. Of such sums, Rmb39,000,000 was repaid on July 14, 2008.
- 3) Pursuant to the operation management agreement entered into between Development Co and Zhejiang Expressway Petroleum Development Co., Ltd. (“Petroleum Co”) in respect of the petrol stations in the service areas along the Shanghai-Hangzhou-Ningbo Expressway and the Shangsang Expressway, the amount of petroleum that Development Co purchased from Petroleum Co during the Period totaled Rmb717,768,000.
- 4) Transactions and balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government (“state-controlled entities”). In addition, the Group itself is part of a larger group of companies under the Zhejiang Communication Investment Group Co., Ltd. (“Communications Investment Group”) which is controlled by the PRC government. Apart from the transactions with the Communications Investment Group and parties under the common control of the Communications Investment Group, the Group also conducts business with other state-controlled entities. The directors consider those state-controlled entities as independent third parties so far as the Group’s business transactions with them are concerned.

In addition the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors are of the opinion that separate disclosure would not be meaningful.

In respect of the Group’s toll road business, the directors are of the opinion that it is impracticable to ascertain the identity of counterparties and accordingly whether the transactions are with other state-controlled entities in the PRC.

18. CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Company's commodity-linked 1-year structured deposits of Rmb200.0 million with a minimum yield rate of 4% was a pledge provided to a domestic foreign-owned bank for a Hong Kong dollar-denominated loan of Rmb336.6 million in Renminbi equivalent which had the same term as the Hong Kong dollar loan.

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at June 30, 2008.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the Period's presentation.

20. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorized for issue by the board of directors on August 4, 2008.

Corporate Information

EXECUTIVE DIRECTORS

Geng Xiaoping (Chairman)
Fang Yunti (General Manager)
Zhang Jingzhong
Jiang Wen Yao

NON-EXECUTIVE DIRECTORS

Zhang Luyun
Zhang Yang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tung Chee Chen
Zhang Junsheng
Zhang Liping

SUPERVISORS

Ma Kehua
Fang Zhexing
Zheng Qihua
Jiang Shaozhong
Wu Yongmin

COMPANY SECRETARY

Zhang Jingzhong

AUTHORIZED REPRESENTATIVES

Geng Xiaoping
Zhang Jingzhong

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PRINCIPAL BANKERS

Industrial and Commercial Bank of China,
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China Construction Bank, Zhejiang Branch
Shanghai Pudong Development Bank,
Hangzhou Branch

H SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Room 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Hong Kong

H SHARES LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Code: 0576

LONDON STOCK EXCHANGE PLC

Code: ZHEH

ADRS INFORMATION

US Exchange: OTC
Symbol: ZHEXY
CUSIP: 98951A100
ADR: H Shares 1:30

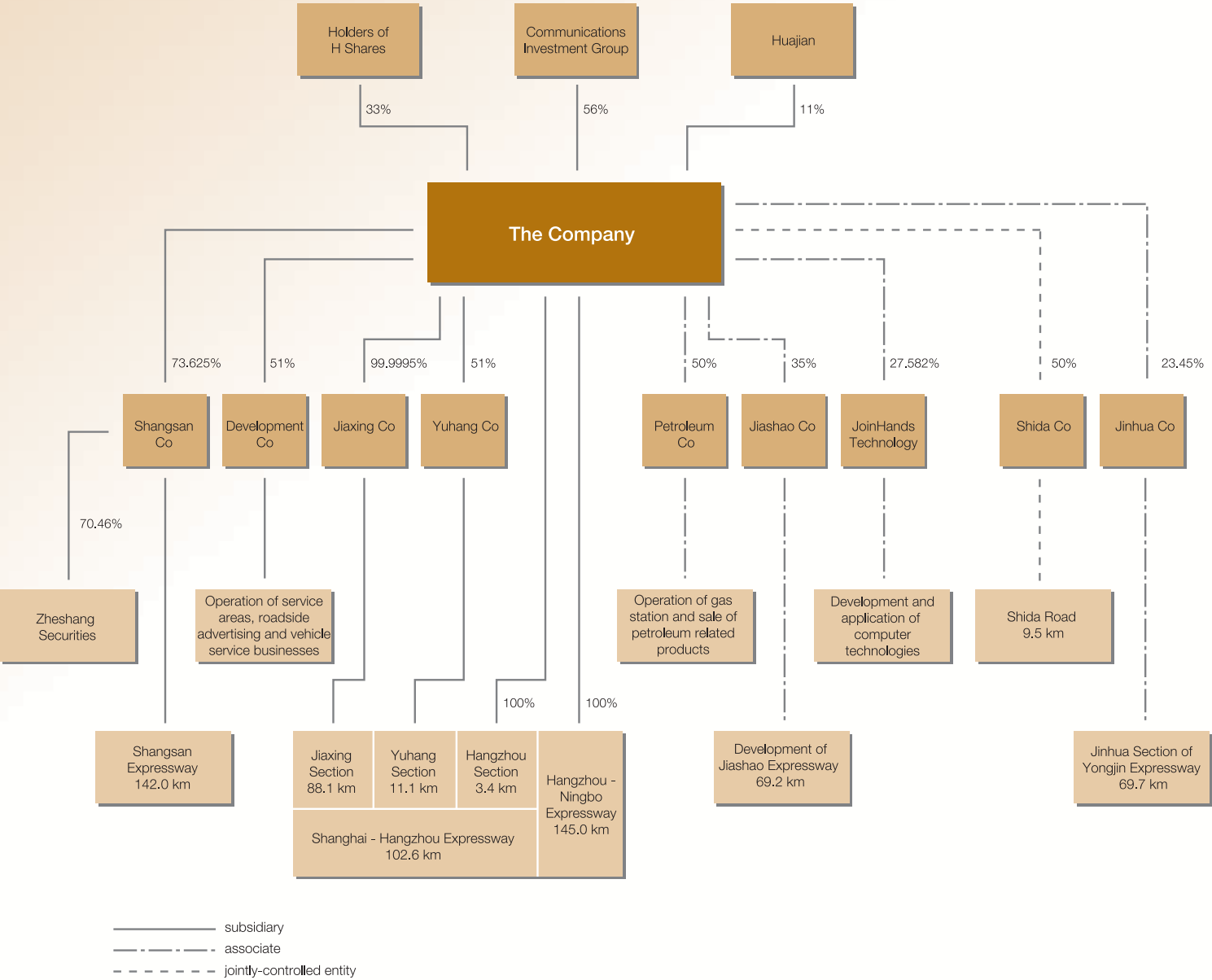
CORPORATE BOND LISTING INFORMATION

The Shanghai Stock Exchange
Symbol: 03 滬杭甬
Code: 120308

WEBSITE

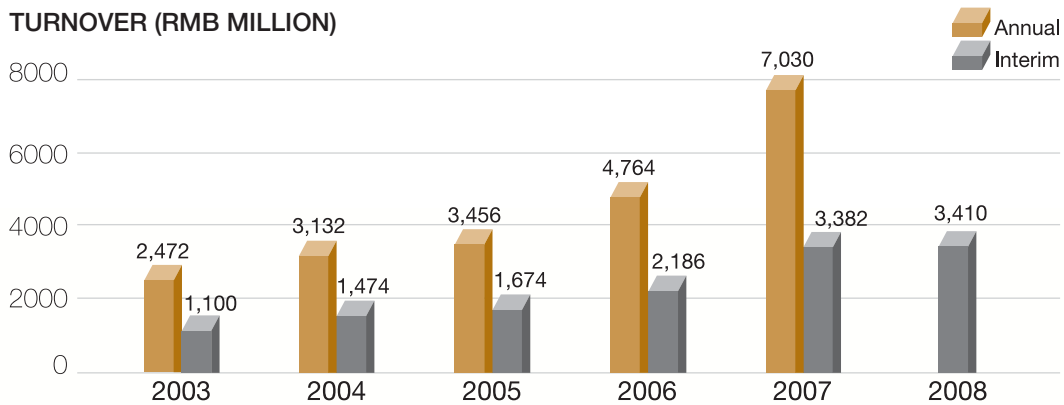
www.zjec.com.cn

Corporate Structure of the Group

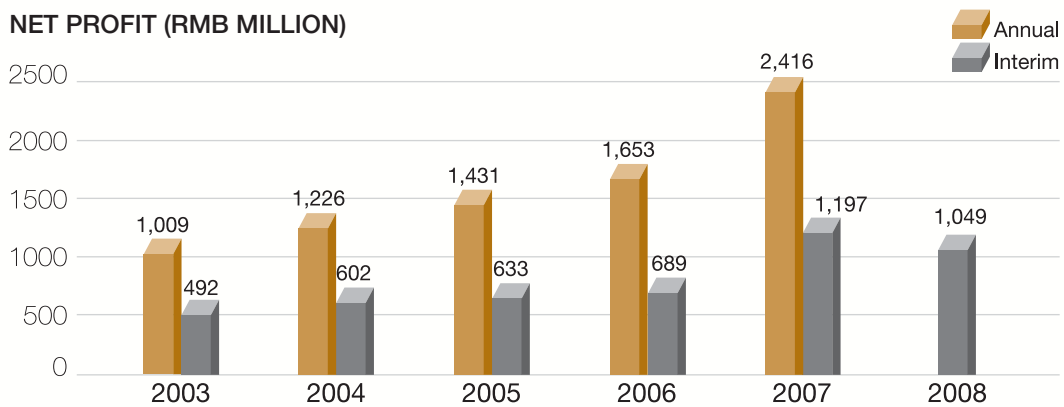


Financial Highlights

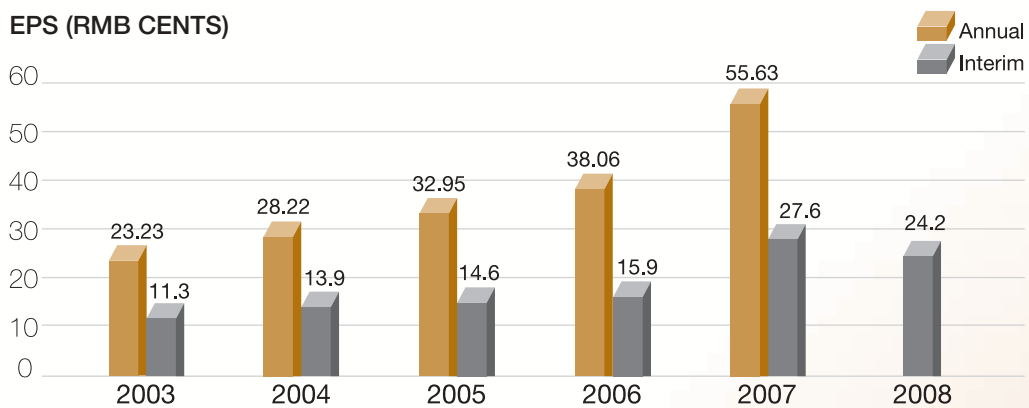
TURNOVER (RMB MILLION)



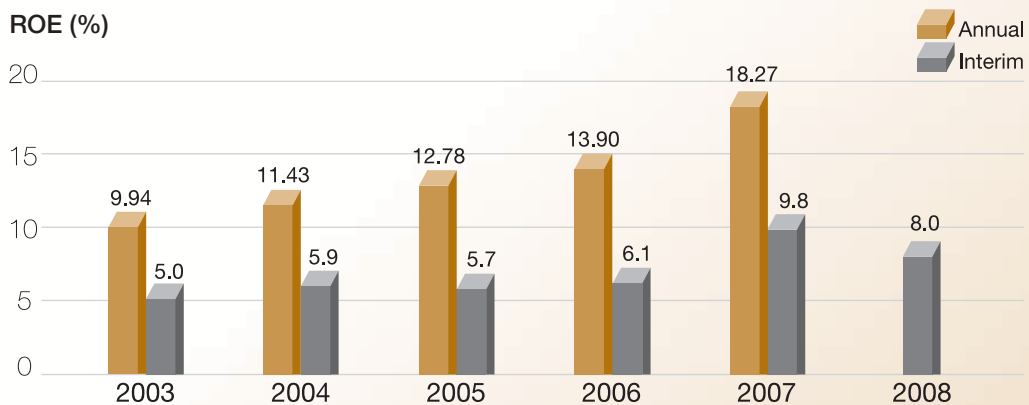
NET PROFIT (RMB MILLION)



EPS (RMB CENTS)



ROE (%)



Location Map of Expressways in Zhejiang Province



