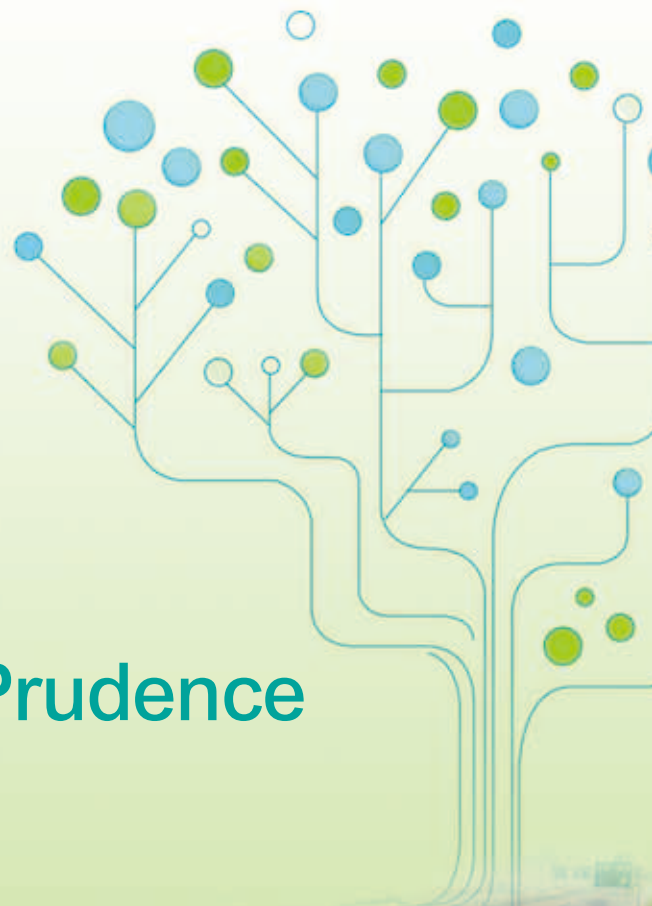




浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

Stock Code : 0576



Achieve Growth through Innovation and Prudence






Overcoming difficulties, lowering costs, enhancing efficiency

In the first half of this year, macro-economic situation continued to move towards a downward direction, and uncertainties in the policy environment continued to increase, casting negative impacts on those sectors which are closely linked to the economy, such as transportation, finance and so on. In spite of this, through continuous efforts of the staff of all levels at the Company and pragmatically driving the development of every project, better results are reaped and operating performance basically met expectation.

Looking forward to the second half, we will continue to leverage on the change in the economy and policies, and push forward key works in full swing, focus energy in overcoming difficulties at work, step up efforts in lowering cost and enhancing efficiency, with the aim of achieving full year operation targets and extending the room of profits.





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2012 Interim Results

The directors (the “Directors”) of Zhejiang Expressway Co., Ltd. (the “Company”) announced the unaudited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2012 (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 Rmb3,329.18 million, generally on par with the same period in 2011. Profit for the Period attributable to owners of the Company was Rmb891.59 million, representing a slight decrease of 1.0% year-on-year. Earnings per share for the Period was Rmb20.53 cents, representing a decrease of 1.0% over the same period in 2011.

The Directors have recommended to pay an interim dividend of Rmb6 cents per share, subject to shareholders’ approval at the extraordinary general meeting of the Company expected to be held on October 12, 2012.

The interim report has not been audited or reviewed by the auditors but has reviewed by the audit committee of the Company.

Business Review

China's domestic economic growth continued to slacken as a result of the instability in the world economy and Chinese macro-control initiatives. Although China's domestic economy performed steadily as a whole in the first half of 2012, the GDP growth rate fell significantly, recording an increase of 7.8% year-on-year. During the Period, due to a number of factors such as the significant deceleration of growth in the foreign trade and export of the Zhejiang Province, the province's GDP increased by 7.4% year-on-year, which remained lower than the national average growth rate.

Given the slowdown of growth in the macro economy, the organic growth of traffic volume of the Group's expressways also fell significantly in the first half of 2012. As China's stock market continued to tumble during the Period, revenue from the securities business of the Group also recorded a decrease comparing with the same period last year. Consequently, during the Period, income for the Group decreased by 0.3% year-on-year, amounting to Rmb3,424.25 million in total. Of such income, Rmb1,795.45 million was generated from the two major expressways owned and operated by the Group, representing an increase of 0.2% year-on-year and accounting for 52.4% of total income; and Rmb1,035.30 million was generated from the toll road-related businesses, representing an increase of 8.4% year-on-year and accounting for 30.2% of total income. The securities business contributed an income of Rmb593.50 million to the Group, representing a decrease of 13.9% year-on-year and accounting for 17.4% of total income.

A breakdown of the Group's income for the Period is set out below:

For the six months ended June 30,			
	2012 Rmb'000	2011 Rmb'000	% Change
Toll income			
Shanghai-Hangzhou-Ningbo Expressway	1,456,618	1,437,224	1.3%
Shangsan Expressway	338,830	354,681	-4.5%
Other income			
Service areas	985,507	911,890	8.1%
Advertising	49,796	43,053	15.7%
Securities business income			
Commission	450,200	535,900	-16.0%
Bank interests	143,301	153,381	-6.6%
Subtotal	3,424,252	3,436,129	-0.3%
Less: Revenue taxes	(95,071)	(96,762)	-1.7%
Revenue	3,329,181	3,339,367	-0.3%



Toll Road Operations

During the Period, the deceleration in macro-economic growth caused the organic growth in the traffic volume of the Group's two expressways to slow down significantly. In particular, with respect to the Shangsans Expressway, along which most of the companies are small- and medium-sized enterprises, the extent of fall in the organic growth of traffic volume was significantly greater than that of the Shanghai-Hangzhou-Ningbo Expressway.

Moreover, the total number of small- and medium-sized trucks declined slightly as a whole due to the rapid increase in the number of container trucks following the implementation of the toll-by-weight policy so that the number of trucks in total traffic volume decreased by 1.6 percentage points. This was also the main reason for the increase in toll income from expressways was lower than the increase in traffic volume during the Period.

The abolition of the "Unified Toll Card" policy (referring to the payment of annual fees for Hangzhou's vehicles to travel along loop expressways on an unlimited basis) in succession since January 1, 2012 had a slightly negative impact on the toll income from the Shanghai-Hangzhou-Ningbo Expressway. As the utilization rate of the cards is expected to decrease month by month in the second half of 2012, the impact on the toll income will continue to increase month by month. Meanwhile, the tolling policy based on the actual travel routes implemented in Zhejiang Province on May 15 this year had a positive impact on the traffic volume growth in some sections of the Group's expressways. However, adjustment to the rounding of the last figures of tolls for passenger vehicles had a certain degree of negative impact on the toll income of the Shanghai-Hangzhou-Ningbo Expressway.

Average daily traffic volume in full-trip equivalents along the Group's Shanghai-Hangzhou-Ningbo Expressway was 41,838 during the Period, representing an increase of 5.4% year-on-year. In particular, average daily traffic volume in full-trip equivalents along the Shanghai-Hangzhou Section of the Shanghai-Hangzhou-Ningbo Expressway increased by 7.2% year-on-year, and that along the Hangzhou-Ningbo Section increased by 4.1% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsans Expressway was 17,004 during the Period, representing a decrease of 0.5% year-on-year.

Toll income from the Shanghai-Hangzhou-Ningbo Expressway amounted to Rmb1,456.62 million during the Period, representing an increase of 1.3% year-on-year; while toll income from the Shangsans Expressway amounted to Rmb338.83 million during the Period, representing a decrease of 4.5% year-on-year.

Toll Road-Related Business Operations

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

During the Period, the number of customers in the service areas along the Group's two expressways decreased as a result of the slackened growth in the traffic volume of the expressways, and the traffic diversions from the Shaoxing Section of the Shanghai-Hangzhou-Ningbo Expressway upon the opening of the Shaozhu Expressway. To address these problems, the Company stepped up the development of new projects in the service areas by acquiring a four-year lease and operational right of the Zhenhai service area in the Ningbo Loop Expressway in May this year, and introducing in June this year in Zhejiang Province for the first time McDonald's, the fast food restaurant chain, to the service areas of expressways to improve business performance and service quality.

Meanwhile, the government adjusted the prices of petroleum products more frequently during the Period. However, since the price increases were greater than the price decreases, the sales amount of petroleum products continued to increase year-on-year. During the Period, measures to adjust the mode of operation for the service areas to counter adverse effects were very effective, and revenue from the service areas was basically the same compared to the same period last year. Consequently, revenue from the expressway-related businesses amounted to Rmb1,035.30 million during the Period, representing an increase of 8.4% year-on-year.

Securities Business

During the Period, the aggregate trading volume of China's domestic stock market declined substantially year-on-year as the market remained volatile and showed a downward trend. Due to the new commission policy – the "Notice on Further Strengthening Customer Services and the Management of Securities Trading Commissions of Securities Firms" implemented in early 2011, the decline in the commission rate has basically remained stable over the past one year.



Moreover, new sales outlets continued to drive a stable increase in market share of the Company's securities business. The Company had 60 securities sales outlets during the Period, an increase of six outlets year-on-year. However, the increase in the number of operational units and employees both raised the operational costs and undermined the profitability of the securities business during the Period.

Meanwhile, hit by the downturn of China's real economy and the slump in the stock market, revenue from the investment banking and asset management businesses showed a decline in varying degrees year-on-year during the Period.

During the Period, the securities business realized an operating income of Rmb593.50 million, representing a decrease of 13.9% year-on-year. Of such income, brokerage commission income amounted to Rmb450.20 million, representing a decrease of 16.0% year-on-year; bank interest income amounted to Rmb143.30 million, representing a decrease of 6.6% year-on-year. In addition, during the Period, securities investment income of Zheshang Securities included in the Condensed Consolidated Statement of Comprehensive Income was Rmb57.89 million.

Long-Term Investments

Zhejiang Expressway Petroleum Development Co., Ltd. (a 50% owned associate company of the Company) ("Petroleum Co") realized an income of Rmb2,909.18 million, representing an increase of 21.6% year-on-year during the Period due to a rise in the prices of petroleum products and a growth in sales of petroleum products. In the Period, Petroleum Co achieved a net profit of Rmb10.18 million (same period in 2011: Rmb17.52 million).

Zhejiang Jinhua Yongjin Expressway Co., Ltd. (Jinhua Co, a 23.45% owned associate company of the Company) operates the 69.7km Jinhua Section of the Ningbo-Jinhua Expressway. During the Period, the continuous fall in the domestic macro economy affected toll income of the Company. The Jinhua Section of the Ningbo-Jinhua Expressway recorded an average daily traffic volume in full-trip equivalents of 11,773, representing an increase of 11.0% year-on-year; while toll income amounted to Rmb112.20 million, representing an increase of 6.1% year-on-year. Due to its heavy financial burden, the associate company still incurred a loss of Rmb32.61 million during the Period (same period in 2011: loss of Rmb30.13 million).

JoinHands Technology Co., Ltd. (a 27.582% owned associate company of the Company), whose revenue is mainly derived from house leasing, did not show any improvement in its operation during the Period and therefore realized a loss of Rmb1.20 million during the Period (same period in 2011: loss of Rmb1.20 million).

The Company entered into a transfer agreement with Guangzhou Kaixin Consulting Co., Ltd. ("Kaixin Company") in July 2011. However, as Kaixin Company has failed to pay the consideration for the equity interest transfer according to the terms of the contract, the Company lodged a lawsuit against Kaixin Company in August 2011 at the People's Court of Xihu District, Hangzhou City. The court ruled in favour of the Company in March 2012. However, both the Company and Kaixin Company filed appeals respectively because of their respective objections against the court's decision. The Company is taking appropriate measures to increase the chance of winning the lawsuit in the second trial.

On July 6, 2012, the Company entered into a transfer agreement with Shaoxing Communications Investment Group Co., Ltd. ("SXCI") for the acquisition of a 50% equity interest in Shengxin Expressway Co., Ltd. ("Shengxin Company", a limited company that owns the toll collection rights to the Shaoxing Section of Yongjin Expressway), a wholly-owned subsidiary of SXCI, for a cash consideration of Rmb355.03 million plus interest accrued on the consideration. However, completion of the acquisition is conditional upon, amongst others, the approval from the relevant provincial and municipal departments of the State-owned Assets Supervision and Administration Commission of the PRC, and the transfer of the operating rights from SXCI to Shengxin Company being approved by the Zhejiang Provincial Government. For details of the agreement, please refer to the announcement regarding the acquisition of the 50% equity interest in Shengxin Expressway published by the Company on July 9, 2012.

Human Resources

The Company continued to revamp its remuneration and performance policy during the Period, better follow through the growth strategy and promote the pegging of overall remuneration upgrade with the productivity of employees as a way for salary increase. There was no significant change in other staff matters and training programs as compared with the details disclosed in the Company's most recent annual report.

Financial Analysis

The Group adopts a prudent financial policy with an aim to provide shareholders of the Company with sound returns over the long term.

During the Period, profit attributable to owners of the Company for the Period was approximately Rmb891.59 million, representing a decline of 1.0% year-on-year, return on owners' equity was 5.95%, representing an increase of 0.3%, while earnings per share for the Company was Rmb20.53 cents.

Liquidity and Financial Resources

As at June 30, 2012, current assets of the Group amounted to Rmb16,136.66 million in aggregate (December 31, 2011: Rmb15,006.63 million), of which bank balances and cash accounted for 35.0% (December 31, 2011: 37.2%), bank balances held on behalf of customers accounted for 46.2% (December 31, 2011: 47.8%), and held-for-trading investments accounted for 6.1% (December 31, 2011: 8.4%). The current ratio (current assets over current liabilities) as at June 30, 2012 was 1.5 (December 31, 2011: 1.6). Excluding the effect of customer deposits from the securities business, the resultant current ratio of the Group (current assets less bank balances held on behalf of customers over current liabilities less balance of accounts payable to customers arising from the securities dealing business) was 2.5 (December 31, 2011: 3.6).

	As at June 30, 2012 Rmb'000	As at December 31, 2011 Rmb'000
Cash and cash equivalent		
Rmb	3,775,393	3,111,774
US\$ in Rmb equivalent	3,657	3,385
HK\$ in Rmb equivalent	5,361	5,271
Time deposit		
Rmb	1,845,064	2,444,247
US\$ in Rmb equivalent	23,824	23,546
Held-for-trading investments-Rmb	988,036	1,260,021
Available-for-sale investments-Rmb	281,473	60,274
Structured deposit-Rmb	170,658	-
Total	7,093,466	6,908,518
Rmb	7,060,624	6,876,316
US\$ in Rmb equivalent	27,481	26,931
HK\$ in Rmb equivalent	5,361	5,271

The amount of held-for-trading investments of the Group as at June 30, 2012 was Rmb988.04 million (December 31, 2011: Rmb1,260.02 million), of which approximate 90.5% was invested in bonds.

During the Period, net cash inflow generated from the Group's operating activities amounted to Rmb975.10 million. The Directors do not expect the Company to experience any problem with liquidity and financial resources in the foreseeable future.

Borrowings and Solvency

As at June 30, 2012, total liabilities of the Group amounted to Rmb11,148.45 million (December 31, 2011: Rmb10,533.86 million), of which 0.4% was short-term bank loans, 9.0% was corporate bonds and 66.4% was accounts payable to customers arising from the securities dealing business.

Total interest-bearing borrowings of the Group as at June 30, 2012 amounted to Rmb1,050.00 million, representing a decrease of 28.2% compared to the sum as at December 31, 2011. The borrowings comprised of outstanding balances of loans from a domestic commercial bank, totaling Rmb50.00 million and corporate bonds amounting to Rmb1 billion that was issued by the Company in 2003 for a term of 10 years. All the interest-bearing borrowings need to be repayable within one year. The details of the relevant outstanding amounts are as follows:

	Maturity Profiles			
	Gross Amount Rmb'000	Within 1 year Rmb'000	>1 year-5 years inclusive Rmb'000	Beyond 5 years Rmb'000
Floating rates				
Domestic commercial bank loans	50,000	50,000	–	–
Fixed rates				
Corporate bonds	1,000,000	1,000,000	–	–
Total as at June 30, 2012	1,050,000	1,050,000	–	–
Total as at December 31, 2011	1,462,553	462,553	1,000,000	–

As at June 30, 2012, the Group's loan from the domestic commercial bank is one-year floating-rate loan, with interest rate of 6.56% per annum. The annual coupon rate for corporate bonds was fixed at 4.29%, with interest payable once a year. Besides, the annual interest rate for accounts payable to customers arising from the securities dealing business was fixed at 0.5% and 0.4%.

Total interest expense for the Period amounted to Rmb31.22 million, while profit before interest and tax amounted to Rmb1,372.72 million. Consequently, the interest cover ratio (profit before interest and tax over interest expenses) stood at 44.0 times (June 30, 2011: 34.3 times).

The asset-liability ratio (total liabilities over total assets) was 37.7% as at June 30, 2012 (December 31, 2011: 36.2%). Excluding the effect of customer deposits from the securities business, the resultant asset-liability ratio (total liabilities less balance of accounts payable to customers arising from the securities dealing business over total assets less bank balances held on behalf of customers) of the Group was 16.9% (December 31, 2011: 15.4%).



Capital Structure

As at June 30, 2012, the Group had Rmb18,424.66 million equity in total, Rmb8,404.20 million fixed-rate liabilities, Rmb50.00 million floating-rate liabilities and Rmb2,694.25 million interest-free liabilities, representing 62.3%, 28.4%, 0.2% and 9.1% of the Group's total capital, respectively. The gearing ratio, which was computed by dividing the total liabilities less accounts payable to customers arising from the securities dealing business by total equity, was 20.3% as at June 30, 2012 (December 31, 2011: 18.2%).

Capital Expenditure Commitments and Utilization

During the Period, the Group incurred capital expenditures of Rmb65.17 million, while the Company incurred capital expenditures of Rmb13.07 million. Amongst the total capital expenditures of the Group, Rmb27.12 million was used for acquisition and construction of properties, Rmb37.88 million was used for purchase of equipment, while Rmb0.17 million was used for service area renovation and expansion.

As at June 30, 2012, capital expenditures committed by the Group and the Company totaled Rmb1,555.15 million and Rmb564.24 million, respectively. Amongst the total capital expenditures committed by the Group, Rmb485.70 million will be assigned to acquisition of an office building, Rmb380.08 million to acquisition and construction of properties, Rmb307.47 million to acquisition of equipment, Rmb6.07 million to the widening project between the Shaoxing-Zhuji hub and the Shaoxing-Jiaxing hub of the Shangsang Expressway, Rmb20.80 million to service area renovation and expansion and Rmb355.03 million to acquisition of 50% equity interest in Shengxin Company.

The Group will finance its above-mentioned capital expenditure commitments mainly with internally generated cash flow, with a preference for debt financing to meet any shortfalls thereof.

Contingent Liabilities and Pledge of Assets

As at June 30, 2012, the Group did not have any contingent liabilities nor any pledge of assets or guarantees.

Foreign Exchange Exposure

Save for the repayment of a domestic foreign bank loan in Hong Kong dollars amounting to an equivalent of Rmb312.51 million and dividend payments to the 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.

With an aim to hedge against foreign exchange risks arising from borrowings denominated in Hong Kong dollars, the Group had purchased Hong Kong dollar equivalent forward contracts with one-year term at a rate lower than the spot exchange rate on the borrowing date in the year of 2011. The transaction completed on May 31, 2012. Apart from the above-mentioned, the Group has not used financial instruments 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.

Outlook

The acute problem regarding weak external demand due to the continuous downturn in the global economy together with China's ongoing implementation of macro-control initiatives for the domestic real estate and other sectors have caused China's current domestic economic growth to continue decelerating. This has also hit, to a large extent, Zhejiang Province's economy with heavy reliance on import and export trade, thereby causing a negative impact on the organic growth in the traffic volume of the Group's two expressways.

As the clean-up and rectification campaign for toll roads is close to completion, two new policies – the toll-by-driving route policy and the improved vehicle tolls charging method – were introduced to the expressways across Zhejiang Province in May 2012, and adjustment to passenger vehicle classes will be carried out from August 1, 2012. Such adjustment is expected to have a slight negative impact on the Group. The soon-to-be-implemented policy for toll-free passenger vehicles with less than seven seats travelling on expressways during major festivals and holidays is expected to lead to an approximately 3% decline in the Group's toll revenue for the whole year.

The 52 electronic toll collection ("ETC") lanes on the Group's expressways, initially scheduled for completion by 2012, will be completed by the end of September this year ahead of schedule, and a test run will be conducted thereafter. This will further strengthen the expressways' traffic capacity, as well as improve their tolling efficiency and levels of service and management.

Meanwhile, as China's stock market experiences increased uncertainties during the downward adjustment, the Group's securities business will be subject to the significant impact of the volatility in the A-share market and the intense competition in the securities brokerage industry. It is expected that Zheshang Securities will enhance the competitiveness of its operating network and improve the revenue structure of the brokerage, investment banking, asset management and other operations, while striving to create new businesses for facilitating the sound development of the securities business.

The unfavourable situations, namely the global economic downturn and the slowdown in economic growth across the country and the province as well as a certain degree of risk caused by the industry's policies such as the clean-up and rectification campaign for toll roads, have rendered more complex and challenging situations to the Company's new-term management than in the past. We only have to seize opportunities from challenges, keep a focused mind on any changes in the industry's policies, come up with innovative management ideas and continue to identify appropriate investment projects on condition that risks are controllable, with a view to enhancing shareholders' long-term value.

Disclosure of Interests and Other Matters

Purchase, Sale and Redemption of the Company's Shares

Neither the Company nor any of its subsidiaries had 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, 2012, 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 Securities and Futures Ordinance (Cap 571) (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.

Other Interests Discloseable under the SFO

As at June 30, 2012, 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:

Substantial shareholders	Capacity	Total interests in number of ordinary shares of the Company	Percentage of the issued share capital of the Company (domestic shares)
Communications Investment Group	Beneficial owner	2,909,260,000	100%

Substantial shareholders	Capacity	Total interests in number of ordinary shares of the Company	Percentage of the issued share capital of the Company (H Shares)
JP Morgan Chase & Co.	Beneficial owner, investment manager and custodian corporation/ approved lending agent	157,904,646 (L) 130,199,100 (P)	11.01% 9.08%
BlackRock, Inc.	Interest of controlled corporations	114,929,961 (L) 2,662,000 (S)	8.01% 0.18%
Deutsche Bank Aktiengesellschaft	Investment manager	86,085,627 (L) 716,381 (S)	6.00% 0.05%
Invesco Hong Kong Limited	Investment manager/ advisor of various accounts	85,416,000 (L)	5.96%
Veritas Funds Plc	Beneficial owner	74,170,000 (L)	5.17%
T. Rowe Price Associates, Inc.	Interest of controlled corporations	72,450,000 (L)	5.05%
The Real Return Group Limited	Interest of controlled corporations	71,820,000 (L)	5.01%



The letter “L” denotes a long position. The Letter “S” denotes a short position. The Letter “P” denotes interest in a lending pool.

Save as disclosed above, as at June 30, 2012, 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.

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.

Responsibility Statement of the Directors in Respect of the Interim Report and Accounts

Each of the Directors of the Company, whose name and function is listed in the section headed “Corporation Information” of this report, confirms that, to the best of his/her knowledge:

- the condensed consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards 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 and the undertakings included in the consolidation taken as a whole; and
- the management discussion and analysis included in the interim report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group faces.

By order of the Board
Zhejiang Expressway Co., Ltd.
Zhan Xiaozhang
Chairman

Hangzhou, the PRC, August 24, 2012

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30,

	Notes	2012 Rmb'000	2011 Rmb'000
Revenue	3	3,329,181	3,339,367
Operating costs		(2,076,791)	(1,986,690)
Gross profit		1,252,390	1,352,677
Securities investment gains		61,211	27,885
Other income	4	124,881	119,926
Administrative expenses		(33,410)	(36,032)
Other expenses		(16,508)	(19,323)
Share of loss of associates		(15,849)	(9,367)
Finance costs	5	(31,223)	(41,852)
Profit before tax	6	1,341,492	1,393,914
Income tax expense	7	(328,225)	(352,347)
Profit for the Period		1,013,267	1,041,567
Other comprehensive income			
Available-for-sale financial assets:			
– Fair values gain (loss) during the Period		5,436	(8,662)
– Reclassification adjustments for cumulative gain included in profit or loss upon disposal		–	(4,072)
Income tax relating to components of other comprehensive income		(1,359)	3,184
Other comprehensive income (loss) for the Period (net of tax)		4,077	(9,550)
Total comprehensive income for the Period		1,017,344	1,032,017
Profit for the Period attributable to:			
Owners of the Company		891,591	900,316
Non-controlling interests		121,676	141,251
		1,013,267	1,041,567
Total comprehensive income for the Period attributable to:			
Owners of the Company		893,717	895,336
Non-controlling interests		123,627	136,681
		1,017,344	1,032,017
EARNINGS PER SHARE-BASIC	9	20.53 cents	20.73 cents

Condensed Consolidated Statement of Financial Position

		As at June 30, 2012	As at December 31, 2011
	Notes	Rmb'000 Unaudited	Rmb'000 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		1,272,588	1,294,465
Prepaid lease payments		67,958	68,983
Expressway operating rights		11,019,731	11,364,938
Goodwill		86,867	86,867
Other intangible assets		151,675	157,594
Earnest deposit paid for acquisition of a property		323,800	323,800
Interests in associates		430,830	446,679
Available-for-sale investments		1,000	1,000
Other receivables	11	82,000	382,000
		13,436,449	14,126,326
CURRENT ASSETS			
Inventories		23,563	26,400
Trade receivables	10	50,738	48,013
Other receivables	11	1,296,606	844,142
Prepaid lease payments		2,052	2,052
Available-for-sale investments		281,473	60,274
Held-for-trading investments		988,036	1,260,021
Structured deposits	12	170,658	-
Bank balances held on behalf of customers		7,454,088	7,177,508
Margin financing and securities lending	13	216,145	-
Bank balances and cash			
– Time deposits with original maturity over three months		1,868,888	2,467,793
– Cash and cash equivalents		3,784,411	3,120,430
		16,136,658	15,006,633
CURRENT LIABILITIES			
Accounts payable to customers arising from securities dealing business		7,404,195	7,143,067
Trade payables	14	354,200	317,188
Tax liabilities		193,669	491,619
Other taxes payable		41,893	61,753
Other payables and accruals	15	628,171	724,216
Dividends payable		1,244,191	94,971
Bank loans		50,000	462,553
Long-term bonds		1,000,000	-
Derivative financial instrument		-	6,426
		10,916,319	9,301,793
NET CURRENT ASSETS		5,220,339	5,704,840
TOTAL ASSETS LESS CURRENT LIABILITIES		18,656,788	19,831,166

	As at June 30, 2012	As at December 31, 2011
	Rmb'000 Unaudited	Rmb'000 Audited
NON-CURRENT LIABILITIES		
Long-term bonds	-	1,000,000
Deferred tax liabilities	232,131	232,066
	232,131	1,232,066
	18,424,657	18,599,100
CAPITAL AND RESERVES		
Share capital	4,343,115	4,343,115
Reserves	10,643,362	10,835,424
Equity attributable to owners of the Company	14,986,477	15,178,539
Non-controlling interests	3,438,180	3,420,561
	18,424,657	18,599,100

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to owners of the Company								Non-controlling interests	Total	
	Share capital Rmb'000	Share premium Rmb'000	Statutory reserves Rmb'000	Capital reserve Rmb'000	Investment revaluation reserve Rmb'000	Special reserve Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000	Total Rmb'000	Rmb'000	Rmb'000
At January 1, 2011	4,343,115	3,645,726	2,727,900	-	3,849	18,666	1,085,779	2,898,217	14,723,252	2,971,863	17,695,115
Profit for the Period	-	-	-	-	-	-	-	900,316	900,316	141,251	1,041,567
Other comprehensive loss for the Period	-	-	-	-	(4,980)	-	-	-	(4,980)	(4,570)	(9,550)
Total comprehensive income for the Period	-	-	-	-	(4,980)	-	-	900,316	895,336	136,681	1,032,017
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(106,008)	(106,008)
Capital injection	-	-	-	2,055	-	-	-	-	2,055	336,299	338,354
Final dividend	-	-	-	-	-	-	(1,085,779)	-	(1,085,779)	-	(1,085,779)
Proposed interim dividend	-	-	-	-	-	-	260,587	(260,587)	-	-	-
At June 30, 2011	4,343,115	3,645,726	2,727,900	2,055	(1,131)	18,666	260,587	3,537,946	14,534,864	3,338,835	17,873,699

	Attributable to owners of the Company								Non-controlling interests	Total	
	Share capital Rmb'000	Share premium Rmb'000	Statutory reserves Rmb'000	Capital reserve Rmb'000	Investment revaluation reserve Rmb'000	Special reserve Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000	Total Rmb'000	Rmb'000	Rmb'000
At January 1, 2012	4,343,115	3,645,726	2,968,634	1,712	(1,555)	18,666	1,085,779	3,116,462	15,178,539	3,420,561	18,599,100
Profit for the Period	-	-	-	-	-	-	-	891,591	891,591	121,676	1,013,267
Other comprehensive income for the Period	-	-	-	-	2,126	-	-	-	2,126	1,951	4,077
Total comprehensive income for the Period	-	-	-	-	2,126	-	-	891,591	893,717	123,627	1,017,344
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(106,008)	(106,008)
Final dividend	-	-	-	-	-	-	(1,085,779)	-	(1,085,779)	-	(1,085,779)
Proposed interim dividend	-	-	-	-	-	-	260,587	(260,587)	-	-	-
At June 30, 2012	4,343,115	3,645,726	2,968,634	1,712	571	18,666	260,587	3,747,466	14,986,477	3,438,180	18,424,657

Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30,

	2012 Rmb'000	2011 Rmb'000
Net cash from operating activities	975,097	666,121
Net cash from/(used in) investing activities	147,550	(1,062,242)
Net cash used in financing activities	(458,666)	(963,981)
Net increase/(decrease) in cash and cash equivalents	663,981	(1,360,102)
Cash and cash equivalents at beginning of the Period	3,120,430	5,682,053
Cash and cash equivalents at end of the Period	3,784,411	4,321,951

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 that are measured at fair value, as appropriate.

The accounting policies applied in the condensed consolidated financial statements for the Period are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended December 31, 2011.

In the current period, the Group has applied, for the first time, new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Period. The application of these new and revised HKFRSs in the current interim period had no material effect on the condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. Segment Information

Comparing to the same period last year, there were no changes in the operating segments of the Group during the Period.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the Period ended June 30, 2012				
	Toll operation Rmb'000	Service area and advertising business Rmb'000	Securities operation Rmb'000	Total Rmb'000
Segment revenue from external customers	1,735,725	1,027,224	566,232	3,329,181
Segment profit	849,355	23,223	140,689	1,013,267

For the period ended June 30, 2011				
	Toll operation Rmb'000	Service area and advertising business Rmb'000	Securities operation Rmb'000	Total Rmb'000
Segment revenue from external customers	1,731,996	947,294	660,077	3,339,367
Segment profit	846,359	21,273	173,935	1,041,567

Segment profit represents the profit after tax of each operating segment. This is the measure reported to the chief operating decision maker, the Group's Chief Executive Officer, for the purpose of resource allocation and performance assessment.

3. Segment Information (Continued)

Revenue from major services

An analysis of the Group's revenue, net of discounts and taxes, for the Period is as follows:

	For the six months ended June 30,	
	2012 Rmb'000 Unaudited	2011 Rmb'000 Unaudited
Toll operation revenue	1,735,725	1,731,996
Service area business revenue	981,695	908,049
Advertising business revenue	45,529	39,245
Commission income from securities operation	422,931	506,696
Interest income from securities operation	143,301	153,381
Total revenue	3,329,181	3,339,367

4. Other Income

	For the six months ended June 30,	
	2012 Rmb'000 Unaudited	2011 Rmb'000 Unaudited
Interest income on bank balances and entrusted loan receivables	74,037	67,128
Interest income from structured deposits	658	–
Rental income	33,655	32,754
Net exchange (loss) gain	(3,552)	2,252
Handling fee income	3,396	8,649
Towing income	5,557	5,805
Others*	11,130	3,338
Total	124,881	119,926

* In May, 2011, the Group borrowed a loan from a domestic foreign bank in HK dollars amounting to an equivalent Rmb312.51 million with one-year term. With an aim to hedge against foreign exchange risks arising from the loan, the Group had purchased HK dollar equivalent forward contracts with one-year term at a lower rate than the spot exchange rate on the borrowing date. The transaction has been completed during the Period. The floating income for the Period was Rmb2.84 million (2011: floating loss of Rmb2.72 million).

5. Financial Costs

For the six months ended June 30,		
	2012 Rmb'000 Unaudited	2011 Rmb'000 Unaudited
Interest expenses wholly repayable within 5 years:		
Bank loans	9,773	20,402
Long-term bonds	21,450	21,450
	31,223	41,852

6. Profit before Tax

The Group's profit before tax has been arrived at after charging:

For the six months ended June 30,		
	2012 Rmb'000 Unaudited	2011 Rmb'000 Unaudited
Depreciation of property, plant and equipment	74,055	73,064
Amortisation of expressway operating rights	345,207	345,658
Amortisation of prepaid lease payments	1,025	1,025
Amortisation of other intangible assets	9,151	7,969
Costs of inventories recognized as an expense	908,265	834,614

7. Income Tax Expense

For the six months ended June 30,		
	2012 Rmb'000 Unaudited	2011 Rmb'000 Unaudited
Current tax:		
PRC enterprise income tax	326,801	359,756
Deferred tax	1,424	(7,409)
	328,225	352,347

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation Regulation of the EIT Law, the tax rate of the Group is 25% from January 1, 2008 onwards.

No Hong Kong Profits Tax has been provided as the Group's income neither arises in, nor is derived from Hong Kong during the Period.

8. Dividends

The Directors have recommended the payment of an interim dividend of Rmb6 cents per share (2011: Rmb6 cents per share), subject to shareholders' approval at the extraordinary general meeting of the Company expected to be held on October 12, 2012.

9. Earnings per Share

The calculation of the basic earnings per share is based on profit for the Period attributable to owners of the Company of Rmb891,591,000 (2011: Rmb900,316,000) and the 4,343,114,500 (2011: 4,343,114,500) ordinary shares in issue during the Period.

No diluted earnings per share has been presented as there were no potential ordinary shares outstanding during both periods.

10. Trade Receivables

The Group has no credit period granted to its trade customers of toll operation, service area businesses and securities operation. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	As at June 30, 2012 Rmb'000 Unaudited	As at December 31, 2011 Rmb'000 Audited
Within 3 months	50,467	47,742
3 months to 1 year	-	-
1 to 2 years	-	-
Over 2 years	271	271
Total	50,738	48,013

11. Other Receivables

	As at June 30, 2012 Rmb'000 Unaudited	As at December 31, 2011 Rmb'000 Audited
Current:		
Entrusted loans receivables from related parties (Note 17 (ii))	683,491	350,704
Entrusted loan receivable from a third party (Note a)	300,850	300,944
Interest receivables	33,338	72,932
Prepayments	35,770	40,275
Financial products investment receivables (Note b)	150,000	-
Others*	93,157	79,287
	1,296,606	844,142
Non-current:		
Entrusted loans receivables from related parties (Note 17 (ii))	-	300,000
Loan receivable from an associate (Note 17 (i) (a) (2))	82,000	82,000
	82,000	382,000
	1,378,606	1,226,142

* The amounts were unsecured, interest-free and repayable on demand.

Note:

- (a) Pursuant to the board resolutions of the Company on January 30, 2011, the Company granted entrusted loans of Rmb300,000,000 to Zhejiang Jiahe Industrial Co., Ltd. at a fixed interest rate of 12% per annum, with maturity date of January 29, 2013. The entrusted loans are guaranteed by Greentown Real Estate Group Co., Ltd. in full.
- (b) Fixed-yield and principal-protected bank financial products.

12. Structured Deposits

The structured deposits represented (1) a yield enhanced deposit in Agricultural Bank of China for a principal of Rmb100,000,000, with a guaranteed interest rate at 4.6% per annum and a variable interest ranging from 0% to 0.2% per annum, for a term of 49 days, depending on the exchange rate of certain foreign currencies, and matured on July 6, 2012; and (2) a yield enhanced deposit in Agricultural Bank of China for a principal of Rmb70,000,000, with a guaranteed interest rate at 4.4% per annum and a variable interest ranging from 0% to 0.2% per annum, for a term of 39 days, depending on the exchange rate of certain foreign currencies, and matured on August 7, 2012.

13. Margin Financing and Securities Lending

The Group has provided customers with margin financing for securities transactions since June this year, which are secured by customers' securities and deposits as collateral. As at June 30, 2012, total amount of margin financing and securities lending was Rmb216,145,000 and the credit limit was determined by every customer's financial background and the value of collateral held. As at June 30, 2012, the total value of securities pledged and deposits as collateral amounted to Rmb813,146,000 and Rmb5,414,000, respectively. The value of securities pledged as collateral was based on the market value of the securities at the end of the reporting period. The margin financing and securities lending was neither past due nor impaired as at June 30, 2012.

14. Trade Payables

The following is an aged analysis of trade payable presented based on payment due date at the end of the reporting period:

	As at June 30, 2012	As at December 31, 2011
	Rmb'000 Unaudited	Rmb'000 Audited
Within 3 months	139,727	93,602
3 months to 1 year	82,306	32,295
1 to 2 years	42,615	116,005
2 to 3 years	63,366	58,618
Over 3 years	26,186	16,668
Total	354,200	317,188

15. Other Payables and Accruals

	As at June 30, 2012	As at December 31, 2011
	Rmb'000 Unaudited	Rmb'000 Audited
Other liabilities:		
Accrued payroll and welfare	261,534	350,508
Advance from customers	78,211	77,754
Toll collected on behalf of other toll roads	12,335	36,944
Others	257,204	217,113
	609,284	682,319
Accruals	18,887	41,897
Total	628,171	724,216

16. Commitments

	As at June 30, 2012 Rmb'000	As at December 31, 2011 Rmb'000
Authorized but not contracted for:		
Investment in expressway upgrade services	6,070	6,070
Renovation of service areas	20,800	20,970
Purchase of equipments	307,468	345,344
Acquisition and construction of properties and its renovation work	380,080	407,203
Acquisition of an office building	485,700	485,700
Acquisition of 50% equity interest of Shengxin Expressway Company Co., Ltd.	355,033	-
Total	1,555,151	1,265,287

17. Related Party Transactions

The following is a summary of the related party transactions arising from the Group's operating activities:

(i) Transactions and balances with government related parties

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("government-related entities"). In addition, the Group itself is part of a larger group of companies under the Zhejiang Communications Investment Group Co., Ltd. ("Communications Group") which is controlled by the PRC government.

(a) Transactions with Communications Group

- (1) Pursuant to the memorandum of understanding and supplemental memorandum of understanding, which were entered into between Zheshang Securities Co., Ltd. ("Zheshang Securities") and Hangzhou Jinji Real Estate Co., Ltd. ("Jinji Company"), a subsidiary of Communications Group, dated December 26, 2011 and August 24, 2012, respectively, Zheshang Securities agreed to purchase a property in Hangzhou from Jinji Co for a provisional consideration of Rmb809,500,000. In 2011, Zheshang Securities had paid earnest deposit of Rmb323,800,000 to Jinji Co. The sale and purchase agreement has not been signed and the acquisition has not been completed at the date of this report.
- (2) Pursuant to the board resolutions of the Company on November 10, 2011, and the loan contract, the Company provided long-term loan, totaling Rmb82,000,000 with maturity date on November 16, 2013 to Zhejiang Jinhua Yongjin Expressway Co., Ltd. ("Yongjin") at floating rates based on the benchmark interest rate according to the People's Bank of China ranging from 6.31% to 6.56%.

Yongjin is a subsidiary of the Communications Group and also an associate of the Group.

17. Related Party Transactions (Continued)

(i) Transactions and balances with government related parties (Continued)

(b) Transactions with other government related parties

- (1) Pursuant to the operation management agreement entered into between Zhejiang Expressway Investment Co., Ltd. (“Development Co”), a wholly owned subsidiary of the Group, and Zhejiang Expressway Petroleum Development Co., Ltd. (“Petroleum Co”) in respect of the petrol stations in the service areas along the Shanghai-Hangzhou-Ningbo and Shangsang Expressways, Petroleum Co will with its expertise assist Development Co in running their petrol stations along the Shanghai-Hangzhou-Ningbo and Shangsang Expressways. Purchases of petroleum products from Petroleum Co during the Period amounted to Rmb844,686,000 (same period in 2011: Rmb772,091,000).

Petroleum Co is a government related entity and also an associate of the Group.

- (2) The Group has entered into various transactions, including deposit placements, borrowings and other general banking facilities, with certain banks and financial institutions, which are government-related 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 government-related entities in the PRC.

(ii) Transactions and balances with associates and other non-government related parties

(a) Transactions and balances with associates and its subsidiaries

- (1) Pursuant to the supplementary entrusted loan contract on July 6, 2011 of Development Co, the maturity date of the entrusted loan totaling Rmb150,000,000 was deferred to July 10, 2012, at a fixed interest rate of 12% per annum and guaranteed by the World Trade Center Zhejiang Real Estate Development Co., Ltd. (“World Trade Ltd”), a related party of Hangzhou Concord Property Investment Co., Ltd. (“Hangzhou Concord Co”), in full, in which part of the entrusted loan of Rmb50,471,000 was early settled in 2011 and the remaining of Rmb99,529,000 was settled in July, 2012.
- (2) Pursuant to the resolutions of the shareholders’ meeting on May 25, 2011 of Zhejiang Expressway Advertising Co., Ltd. (“Advertising Co”), a subsidiary of Development Co and the supplementary entrusted loan contracts, the maturity date of the entrusted loan totaling Rmb30,000,000 was deferred to July 10, 2012, at a fixed interest rate of 12% annually and guaranteed by World Trade Ltd, a related party of Hangzhou Concord Co, in full. This entrusted loan was settled in July, 2012.

17. Related Party Transactions (Continued)

(ii) Transactions and balances with associates and other non-government related parties (Continued)

(a) Transactions and balances with associates and its subsidiaries (Continued)

- (3) Pursuant to the board resolutions of the Company on August 28, 2010 and entrusted loan contracts, the balances of the entrusted loan, represented Rmb190,000,000, provided by the Company in 2011 to Zhejiang Canal Concord Property Co., Ltd., a subsidiary of Hangzhou Concord Co, with maturity date of August 7, 2012, at a fixed interest rate of 12% annually and was guaranteed by World Trade Ltd, a related party of Hangzhou Concord Co, in full. Besides, the Company provided entrusted loan of Rmb100,000,000 to Zhejiang Canal Concord Property Co., Ltd. at a fixed interest rate of 12% per annum, with maturity date of May 17, 2013. The entrusted loan was guaranteed by World Trade Ltd, a related party of Hangzhou Concord Co, in full, while Zhejiang Canal Concord Property Co., Ltd. provided land as pledge at the same time.
- (4) Pursuant to the board resolutions of the Company on August 28, 2010, and the entrusted loan contract, the Company provided entrusted loan totaling Rmb200,000,000 during 2011 with maturity date of April 25, 2013, to Hangzhou Canal Concord Property Co., Ltd., a subsidiary of Hangzhou Concord Co at a fixed interest rate of 12% per annum. Such entrusted loan is guaranteed by World Trade Ltd, a related party of Hangzhou Concord Co, in full.

Interest income recognized for the six months ended June 30, 2012 on the above entrusted loan transactions with associates and its subsidiaries was Rmb33,762,000 (same period in 2011: Rmb31,602,000).

18. Contingent Liabilities and Pledge of Assets

The Group did not have any other contingent liabilities, pledge of assets or guarantees as at June 30, 2012.

19. Summary of financial information of the Company

	As at June 30, 2012	As at December 31, 2011
	Rmb'000 Unaudited	Rmb'000 Audited
Investment in subsidiaries	4,557,600	4,557,600
Amounts due from subsidiaries	625,626	1,007,193
Other assets	8,871,805	8,683,869
	14,055,031	14,248,662
Total liabilities	2,815,147	2,621,828
Capital and reserves		
Share capital	4,343,115	4,343,115
Reserves	6,896,769	7,283,719
	11,239,884	11,626,834

20. Events After the Reporting Period

On July 6, 2012, the Company entered into a sale and purchase agreement with Shaoxing Communications Investment Group Co., Ltd. (“Shaoxing Communications Group”), pursuant to which the Company has conditionally agreed to purchase from Shaoxing Communications Group, a 50% equity interest in Shengxin Expressway Co., Ltd for a cash consideration of Rmb335,032,803, plus interest accrued on the consideration from March 31, 2012 to the date of the receipt by Shaoxing Communications Group of the payment of the consideration. At the date of this report, the acquisition has not been completed.

Details of the acquisition were set out in the announcement of the Company dated July 10, 2012.

21. Approval of Condensed Consolidated Financial Statements

The condensed consolidated financial statements were approved and authorized for issue by the board of directors on August 24, 2012.

Corporate Information

Executive Directors

ZHAN Xiaozhang (Chairman)
LUO Jianhu (General Manager)
DING Huikang

Non-Executive Directors

LI Zongsheng
WANG Weili
WANG Dongjie

Independent Non-Executive Directors

ZHANG Junsheng
ZHOU Jun
PEI Ker-Wei

Supervisors

FU Zhexiang
WU Yongmin
LIU Haisheng
ZHANG Guohua
ZHANG Xiahua

Company Secretary

Tony Zheng

Authorized Representatives

ZHAN Xiaozhang
ZHANG Jingzhong

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Fax: 852-2537 4293

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United Kingdom

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PRC 310007

Auditors

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88 Queensway
Hong Kong



Investor Relations Consultant

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Hong Kong
Tel: 852-2894 6321
Fax: 852-2576 1990

Principal Bankers

Industrial and Commercial Bank of China,
Zhejiang Branch
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 1:10

Corporate Bond Listing Information

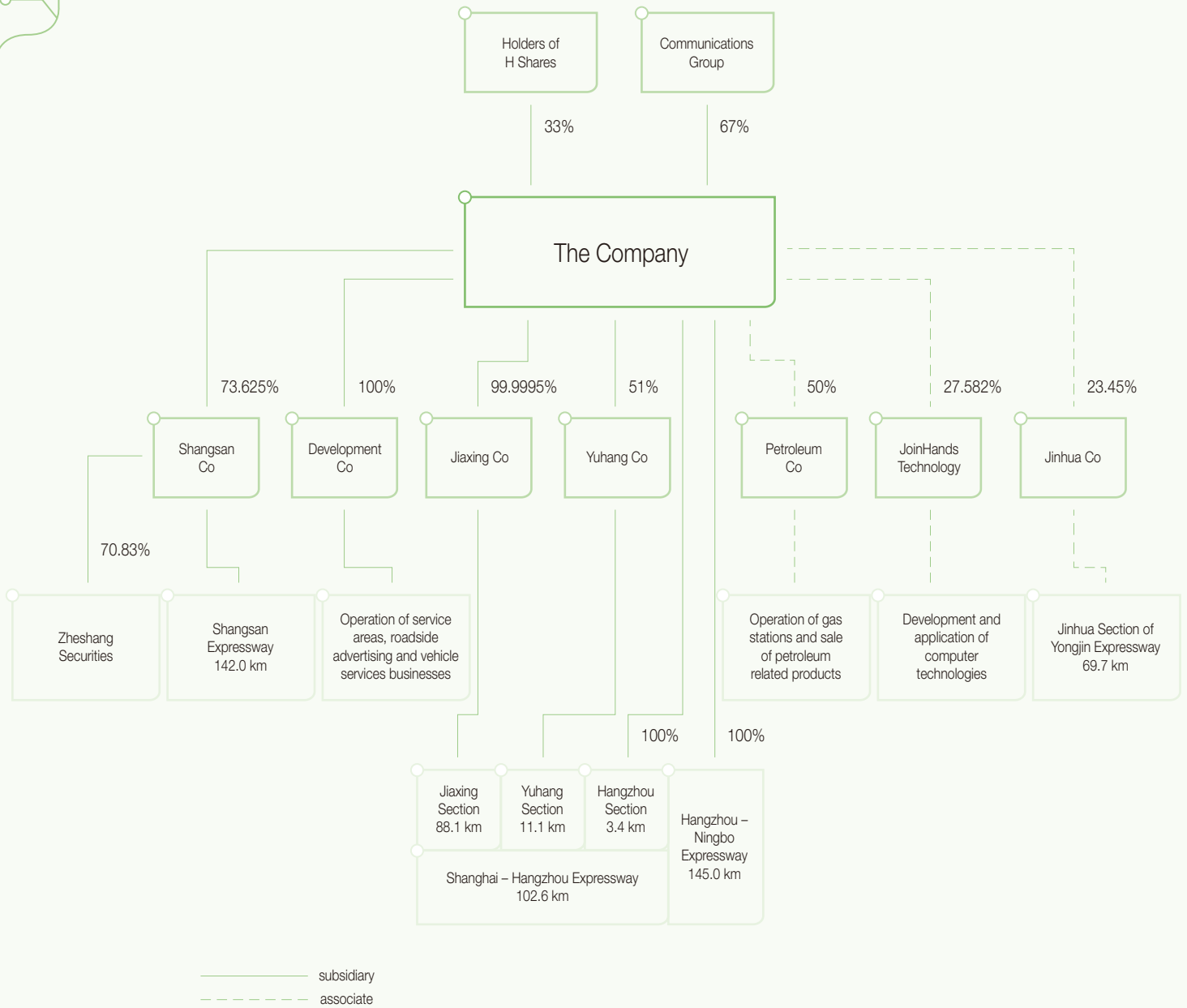
The Shanghai Stock Exchange
Symbol: 03 滬杭甬
Code: 120308

Website

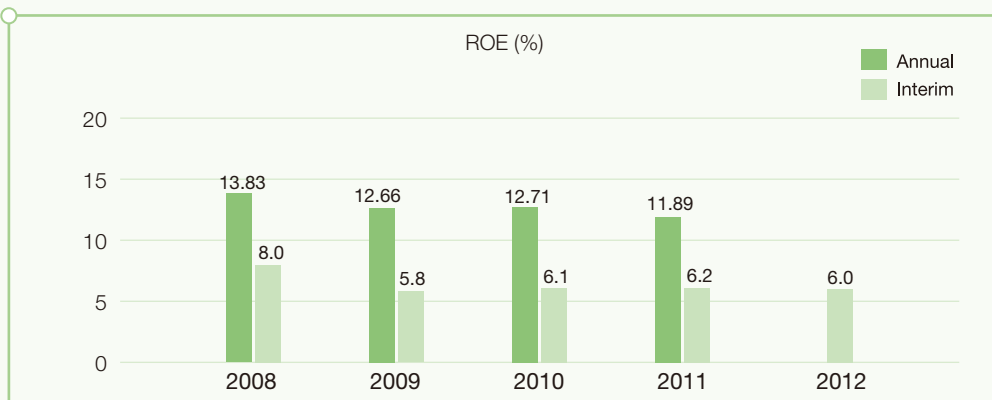
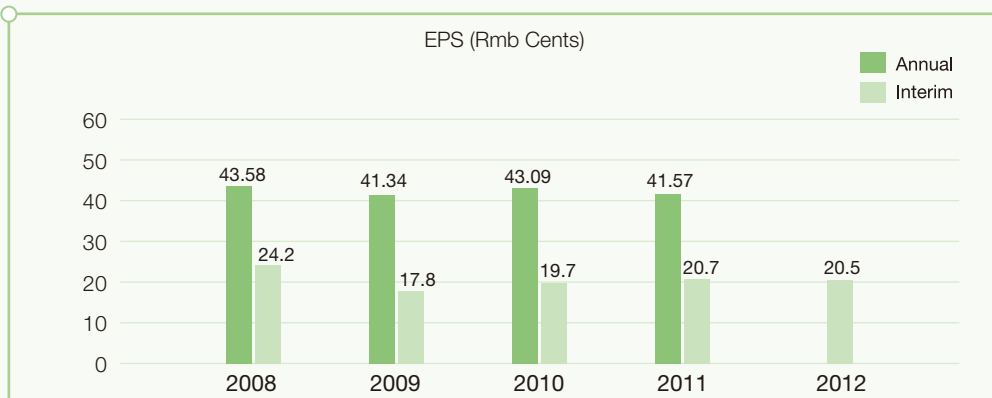
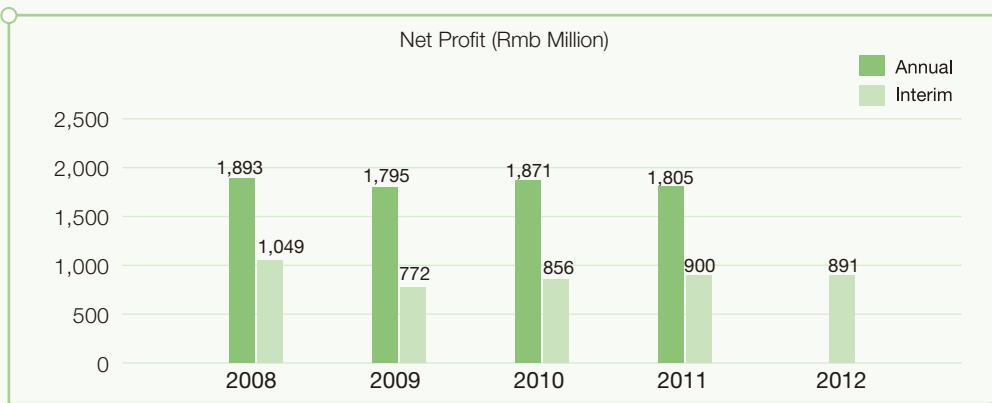
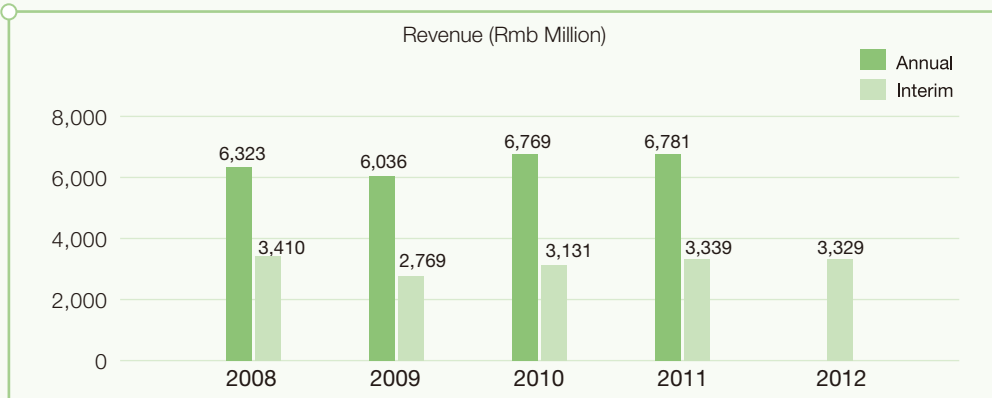
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Corporate Structure of the Group

Set out below is the corporate and business structure of the Group as at June 30, 2012:



Financial Highlights



Location Map of Expressways in Zhejiang Province



