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

ACHIEVE GROWTH

Through Innovation and Prudence

2018

INTERIM REPORT

Stock Code : 0576

Strengthening the Construction of Intelligent Expressways Deepening and Enhancing Core Expressway Business

The Company has leveraged its competitive advantages and aims to expand and enhance its core expressway business. In the first half of 2018, the Company strove to implement the "intelligent upgrade" on all its expressways and actively launched various intelligent and innovative technologies. For example, the Company installed the nation's first electronic toll collection (ETC) lane for trucks, linked vehicle license plates to Alipay accounts, built the country's first full self-service lane with smart payments, and established Zhejiang Province's first vehicle confidence system at the entrance of expressway tolls.

Currently, more than half of passenger vehicles have adopted non-cash payments. The Company is striving to promote the implementation of two "intelligent" services upgrades, including for operational management and for customer experience. These new technologies and services set a good example for other expressways in Zhejiang Province, and help to enhance the operational quality and industry influence of the Company's core expressway business.

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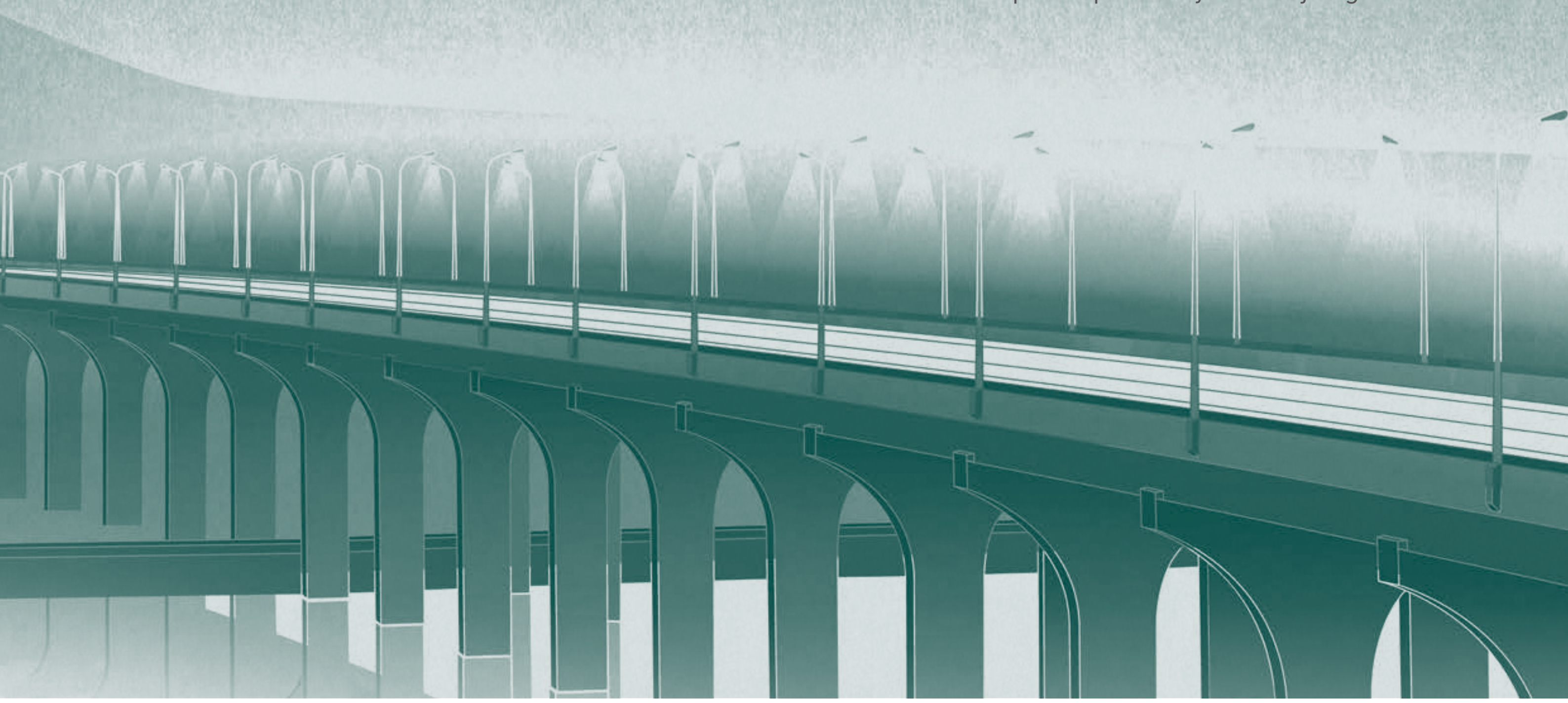

2018 Interim Results

The directors (the "Directors") of Zhejiang Expressway Co., Ltd. (the "Company") announced the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended June 30, 2018 (the "Period"), with the basis of preparation as stated in note 1 set out below.

During the Period, revenue for the Group was Rmb4,632.30 million, representing a year-on-year decrease of 0.8%. Profit attributable to owners of the Company was Rmb1,812.22 million, representing a year-on-year increase of 20.0%. Basic earnings per share for the Period was Rmb41.73 cents, representing a year-on-year increase of 20.0%. Diluted earnings per share for the Period was Rmb37.47 cents, representing a year-on-year increase of 7.7%.

Given the regulatory requirements related to fund transfers out of mainland China, the Board does not recommend the payment of an interim dividend for the six months June 30, 2018. The Directors suggest to adjust dividend policy of the Company and consolidate the interim dividend into the final dividend payment.

The interim report of the Group for the six months ended June 30, 2018 has not been audited or reviewed by the auditors of the Company but has been reviewed by the audit committee of the Company.

Business Review

In the first half of 2018, the Chinese economy maintained stable growth with positive trend alongside the restructuring of the economy. Driven by the transition from old to new growth drivers, the national GDP rose 6.8% year-on-year, and the quality and efficiency of economic growth continued to improve as the country transitions to high-quality development. During the Period, Zhejiang Province's GDP grew by 7.6% year-on-year, 0.8 of a percentage point higher than the national rate. The revenue of services, consumption, import and export, and digital economy in Zhejiang Province grew by 8.1%, 10.1%, 8.9% and 16.4% year-on-year, respectively, which drove the province's overall economy to achieve medium-to-high growth.

The traffic volume on the Group's expressways continued to maintain steady growth, contributed by the stable and rapid growth of Zhejiang Province's economy during the Period. However, as impacted by the market depression, the revenue of Zheshang Securities has fallen, which caused a year-on-year decrease of 0.8% in the Group's revenue. The total revenue of the Group amounted to Rmb4,632.30 million, of which Rmb3,065.85 million was generated by the five major expressways operated by the Group, representing an increase of 6.9% year-on-year and 66.2% of the total revenue. The total revenue of the securities business amounted to Rmb1,513.65 million, representing a decrease of 11.2% year-on-year and 32.7% of the total revenue.

Business Review

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

	For the six months ended June 30,		
	2018	2017	
	Rmb'000	Rmb'000	% Change
Toll revenue			
Shanghai-Hangzhou-Ningbo Expressway	**1,930,874**	1,781,361	8.4%
Shangsan Expressway	**616,614**	609,249	1.2%
Jinhua section, Ningbo-Jinhua Expressway	**184,333**	177,522	3.8%
Hanghui Expressway	**259,853**	232,051	12.0%
Huihang Expressway	**74,173**	68,434	8.4%
Securities business revenue			
Commission and fee income	**809,206**	1,044,160	-22.5%
Interest income	**704,445**	661,293	6.5%
Other operation revenue			
Property sales	**–**	47,413	-100.0%
Hotel operation	**52,798**	47,275	11.7%
Total revenue	**4,632,296**	4,668,758	-0.8%

Business Review

Toll Road Operations

During the Period, traffic volume on the Group's expressways experienced high organic growth, benefitting from Zhejiang Province's favorable economic development. The varied rates of growth reflect the different regions in which the five expressways are located. During the Period, the organic traffic volume growth rates for the Group's five expressways, namely the Shanghai-Hangzhou-Ningbo Expressway, the Shangsan Expressway, the Jinhua Section of the Ningbo-Jinhua Expressway, the Hanghui Expressway, and Huihang Expressway, were 10.4%, 7.0%, 9.4%, 11.1% and 9.3%, respectively.

The "Regulations on Overloaded Trucks on Roadways" released on September 21, 2016 has continued to have a positive impact on the growth of truck traffic on the expressways of the Company. During the Period, truck traffic on the expressways of the Company increased 8.6% year-on-year. In addition, the Yuhang District government of Hangzhou reset toll collection rules for vehicles travelling between the Yuhang and Hangzhou sections of the Shanghai-Hangzhou Expressway. Under the new rules, within a two-year period from September 28, 2017 on which the new rules became into effect, the Yuhang District government pays the toll between the two sections for all Hangzhou passenger vehicles that have ETC registration, which led to an increase in passenger vehicle traffic along the Shanghai-Hangzhou-Ningbo Expressway.

During the Period, the traffic volume growth rate on the Shangsan Expressway was relatively slow, which was mainly due to traffic controls and frequent road closures related to construction projects on the Taizhou section of the Ningbo-Taizhou-Wenzhou Expressway. In addition, the Dongyang-Yiwu Provincial Highway opened traffic on June 30, 2017, which led to a decline in short-distance traffic on the Jinhua section of the Ningbo-Jinhua Expressway.

During the Period, the average daily traffic volume in full-trip equivalents along the Group's Shanghai-Hangzhou-Ningbo Expressway was 35,999, representing an increase of 9.4% 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 was 63,699, representing an increase of 13.7% year-on-year, and that along the Hangzhou-Ningbo Section was 58,282, representing an increase of 9.2% year-on-year. Average daily traffic volume in full-trip equivalents along the Shangsan Expressway was 31,177, representing an increase of 4.2% year-on-year. Average daily traffic volume in full-trip equivalents along the Jinhua Section of the Ningbo-Jinhua Expressway was 20,400, representing an increase of 3.7% year-on-year. Average daily traffic volume in full-trip equivalents along the Hanghui Expressway was 19,517 representing an increase of 11.4% year-on-year. Average daily traffic volume in full-trip equivalents along the Huihang Expressway was 8,802, representing an increase of 10.2% year-on-year.

Business Review

During the Period, total toll revenue from the 248km Shanghai-Hangzhou-Ningbo Expressway, the 142km Shangsan Expressway, the 70km Jinhua Section of the Ningbo Jinhua Expressway, the 122km Hanghui Expressway and the 82km Huihang Expressway was Rmb3,065.85 million, representing an increase of 6.9% year-on-year. Within this, toll revenue from the Shanghai-Hangzhou-Ningbo Expressway was Rmb1,930.87 million, representing an increase of 8.4% year-on-year; toll revenue from the Shangsan Expressway was Rmb616.61 million, representing an increase of 1.2% year-on-year; toll revenue from the Jinhua Section of the Ningbo-Jinhua Expressway was Rmb184.33 million, representing an increase of 3.8% year-on-year; toll revenue from the Hanghui Expressway was Rmb259.85 million, representing an increase of 12.0% year-on-year; and toll revenue from the Huihang Expressway was Rmb74.17 million, representing an increase of 8.4% year-on-year.

Securities Business

During the Period, the domestic stock market remained volatile and the domestic bond market was in downturn, in spite of a year-on-year increase of 1.41% in trading volume across the Shanghai and Shenzhen stock markets. In addition, the average commission rate for the traditional brokerage business remained at a low level, which weighed down the revenue of Zheshang Securities. During the Period, except for a modest increase in interest income, Zheshang Securities' other businesses recorded varied levels of revenue decreases year-on-year.

During the Period, Zheshang Securities recorded total revenue of Rmb1,513.65 million, a decrease of 11.2% year-on-year. Within this, commission and fee income declined 22.5% year-on-year to Rmb809.21 million, and interest income derived from the securities business was Rmb704.45 million, representing an increase of 6.5% year-on-year. Securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income was Rmb142.05 million (Corresponding period of 2017: securities investment gains of Rmb370.30 million).

With a view to minimizing the negative impact of the market, Zheshang Securities has been continuously strengthening its internal controls, optimizing the business structure and promoting business development since its listing.

Business Review

Other Business Operations

Grand New Century Hotel, owned by Zhejiang Yuhang Expressway Co., Ltd. (a 51% owned subsidiary of the Company), realized revenue of Rmb52.80 million for the Period, representing an increase of 11.7% year-on-year.

Long-Term Investments

Zhejiang Shaoxing Shengxin Expressway Co., Ltd. ("Shengxin Co", a 50% owned joint venture of the Company) operates the 73.4km Shaoxing Section of the Ningbo-Jinhua Expressway. During the Period, the average daily traffic volume in full-trip equivalents was 20,335, representing an increase of 9.1% year-on-year. Toll revenue during the Period was Rmb201.89 million. During the Period, the joint venture reported a net profit of Rmb23.30 million, representing an increase of 127.1% year-on-year.

During the Period, Zhejiang Communications Investment Group Finance Co., Ltd. ("Zhejiang Communications Finance", a 35% owned associate of the Company), derived income mainly from interest, fees and commissions for providing financial services, including arranging loans and receiving deposits, for the subsidiaries of Zhejiang Communications Investment Group Co., Ltd. ("Communications Group"), the controlling shareholder of the Company. During the Period, the associate company realized a net profit of Rmb242.65 million, representing an increase of 51.4% year-on-year.

During the Period, Yangtze United Financial Leasing Co., Ltd. ("Yangtze Financial Leasing", a 13% owned associate of the Company), was primarily engaged in the finance leasing business, transferring and receiving financial leasing assets, fixed-income securities investment businesses, and other businesses approved by the China Banking Regulatory Commission. During the Period, the associate company realized a net profit of Rmb168.49 million, representing an increase of 44.0% year-on-year.

During the Period, Shanghai Rural Commercial Bank Co., Ltd. ("SRCB", a 4.9% owned associate of the Company, which was acquired on May 31, 2018), was primarily engaged in commercial banking business, including deposits, loans, and domestic and overseas settlements, which is approved by the banking regulatory authorities in China. In June 2018, the associate company realized a net profit of Rmb508.40 million.

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 was approximately Rmb1,812.22 million, representing an increase of 20.0% over the corresponding period of 2017, basic earnings per share for the Company was Rmb41.73 cents, representing an increase of 20.0% year-on-year, diluted earnings per share for the Company was Rmb37.47 cents, representing an increase of 7.7%, and return on owners' equity was 8.6%, representing an increase of 10.3% year-on-year.

Liquidity and financial resources

As at June 30, 2018, current assets of the Group amounted to Rmb59,358.54 million in aggregate (December 31, 2017: Rmb53,952.25 million), of which bank balances, clearing settlement fund, deposits and cash accounted for 13.0% (December 31, 2017: 10.4%), bank balances and clearing settlement fund held on behalf of customers accounted for 27.5% (December 31, 2017: 27.9%), financial assets at fair value through profit or loss accounted for 31.4% (on the same basis as at December 31, 2017: 26.6%) and loans to customers arising from margin financing business accounted for 11.7% (December 31, 2017: 14.6%). The current ratio (current assets over current liabilities) of the Group as at June 30, 2018 was 1.5 (December 31, 2017: 1.7). Excluding the effect of the customer deposits arising from the securities business, the resultant current ratio of the Group (current assets less bank balances and clearing settlement fund held on behalf of customers over current liabilities less balance of accounts payable to customers arising from securities business) was 1.9 (December 31, 2017: 2.2).

The amount of financial assets at fair value through profit or loss included in current assets of the Group as at June 30, 2018 was Rmb18,667.18 million (on the same basis as at December 31, 2017: Rmb14,369.53 million), of which 78.3% was invested in bonds, 3.1% was invested in stocks, 12.9% was invested in structured products, and the rest were invested in equity funds and trust products.

During the Period, net cash inflow generated from the Group's operating activities amounted to Rmb748.58 million. The currency mix in which cash and cash equivalents are held has not substantially changed as compared to the same period last year.

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

Financial Analysis

Borrowings and solvency

As at June 30, 2018, total liabilities of the Group amounted to Rmb51,296.61 million (December 31, 2017: Rmb44,446.17 million), of which 4.9% was bank and other borrowings, 6.7% was short-term financing note payable, 22.7% was bonds payable, 5.1% was convertible bond, 19.3% was financial assets sold under repurchase agreements and 31.8% was accounts payable to customers arising from securities business.

As at June 30, 2018, total interest-bearing borrowings of the Group amounted to Rmb20,219.20 million, representing an increase of 43.3% compared to that as at December 31, 2017. The borrowings comprised outstanding balances of domestic commercial bank loans of Rmb1,201.57 million, borrowings from a domestic financial institution of Rmb1,251.49 million, borrowings from a domestic institution of Rmb61.38 million, subordinated bonds of Rmb9,689.91 million, corporate bonds of Rmb1,945.05 million, beneficial certificates of Rmb3,454.78 million, and convertible bond denominated in Euro and equivalents to Rmb2,615.02 million. Of the interest-bearing borrowings, 60.6% was not payable within one year.

		Maturity Profile		
	Gross amount Rmb'000	Within 1 year Rmb'000	2-5 years inclusive Rmb'000	Beyond 5 years Rmb'000
Floating rates				
Borrowings from a domestic commercial bank	1,201,566	1,201,566	–	–
Borrowings from a domestic financial institution	1,251,488	1,251,488	–	–
Fixed rates				
Borrowings from a domestic institution	61,380	–	61,380	–
Beneficial certificates	3,454,781	3,454,781	–	–
Subordinated bonds	9,689,912	2,049,715	7,640,197	–
Corporate bonds	1,945,052	–	1,945,052	–
Convertible bond	2,615,021	–	2,615,021	–
Total as at June 30, 2018	**20,219,200**	**7,957,550**	**12,261,650**	**–**
Total as at December 31, 2017	14,113,454	2,482,800	11,630,654	–

Financial Analysis

As at June 30, 2018, the annual floating interest rate of the Group's borrowings from a domestic commercial bank was 4.698%, the annual floating interest rate for borrowings from a domestic financial institution was 4.2195% and 4.35%, the annual fixed interest rate from a domestic institution was 3.0%. The annual interest rates of beneficial certificates were fixed at rates between 4.5% and 5.3%. The annual interest rates for subordinated bonds were fixed at rates between 3.63% and 5.93%. The annual fixed interest rate for corporate bonds was 3.08%. The annual coupon rate for convertible bond was nil. While the annual interest rate for accounts payable to customers arising from the securities business was fixed at 0.35%.

Total interest expenses and profit before interest and tax for the Period amounted to Rmb408.61 million and Rmb3,074.76 million, respectively. The interest cover ratio (profit before interest and tax over interest expenses) stood at 7.5 (Corresponding period of 2017: 8.4) times.

As at June 30, 2018, the asset-liability ratio (total liabilities over total assets) of the Group was 63.3% (December 31, 2017: 60.3%). Excluding the effect of customer deposits arising from the securities business, the resultant asset-liability ratio (total liabilities less balance of accounts payable to customers arising from securities business over total assets less bank balances and clearing settlement fund held on behalf of customers) of the Group was 54.1% (December 31, 2017: 50.3%).

Capital structure

As at June 30, 2018, the Group had Rmb29,769.37 million in total equity, Rmb43,946.42 million in fixed-rate liabilities, Rmb2,453.05 million in floating-rate liabilities, and Rmb4,897.14 million in interest-free liabilities, representing 36.7%,54.2%, 3.0% and 6.1% of the Group's total capital, respectively. The gearing ratio, which is computed by dividing the total liabilities less accounts payable to customers arising from the securities business by total equity, was 117.6% as at June 30, 2018 (December 31, 2017: 101.1%).

Financial Analysis

Capital expenditure commitments and utilization

During the Period, capital expenditure of the Group totaled Rmb2,844.17 million. Amongst the total capital expenditure of the Group, Rmb2,789.14 million was incurred for acquiring equity investments, Rmb12.22 million was incurred for acquisition and construction of properties, and Rmb42.81 million was incurred for purchase and construction of equipments and facilities.

As at June 30, 2018, the remaining capital expenditure committed by the Group amounted to Rmb1,192.50 million in total. Amongst the remaining balance of total capital expenditure committed by the Group, Rmb795.40 million will be used for acquiring equity investments, Rmb149.80 million will be used for acquisition and construction of properties, Rmb247.30 million for acquisition and construction of equipments and facilities.

The Group will consider financing the above-mentioned capital expenditure commitments with internally generated cash flow first and then will comprehensively consider using debt financing and equity financing to meet any shortfalls.

Contingent liabilities and pledge of assets

Pursuant to the board resolution of the Company dated November 16, 2012, the Company and Shaoxing Communications Investment Group Co., Ltd. (the other joint venture partner that holds 50% equity interest in Shengxin Co) provided Shengxin Co with joint guarantee for its bank loan principal of Rmb2.2 billion, in accordance with their proportionate equity interest in Shengxin Co. During the Period, Rmb135.00 million of the bank loan principal had been repaid. As at June 30, 2018, the remaining bank loan principal balance is Rmb1,548.00 million.

Except for the above, as at June 30, 2018, the Group did not have any other contingent liabilities, pledge of assets or guarantees.

Foreign exchange exposure

During the Period, save for (i) dividend payments to the holders of H shares in Hong Kong dollars, (ii) Zheshang International Financial Holding Co., Limited. (a wholly owned subsidiary of Zheshang Securities) operating in Hong Kong, and (iii) issuance of the zero coupon convertible bond in an aggregate principal amount of Euro365.00 million in Hong Kong capital market in April 2017, which will be due in April 2022, the Group's principal operations were transacted and booked in Renminbi.

During the Period, the Group has not used any financial instruments for hedging purpose.

Outlook

In the first half of 2018, China's economy was shifting from high-speed growth to high-quality development. In particular, the service sector in Zhejiang Province continued to grow rapidly, with the digital economy leading a cycle of "industrial upgrading". Although adverse external factors such as intensified international trade friction and rising trade protectionism have increased, China's macro economy and regional economies are still expected to develop rapidly in the second half of 2018. It is expected that overall traffic volume on the major expressway sections of the Group will keep year-on-year growth in the second half of this year, but the growth rate will slow compared with the first half.

The Company will continue to promote the construction of ETC lanes, set up self-service payment lanes on a trial basis, further promote mobile payments, optimize toll collection system functionality, and improve service quality across all areas of the business as a part of the Company's efforts to build its brand. The Company will also improve its big data analytic capabilities related to its road network, promote the establishment of a vehicle confidence system, and continue to apply new technologies to attract more vehicles while improving road safety.

In October 2017, Zhejiang Province launched the "Phoenix Action" plan, which aims to encourage listings, mergers and acquisitions, and restructuring for companies in order to promote economic transformation and strengthen the real economy. This plan will bring new opportunities to the Group's securities business. Zheshang Securities will make a rational assessment of the current economic situation, carefully analyze the government policies, promote the construction of information risk control system, deepen the research and development of products with unique features, and vigorously promote the transformation and upgrading of traditional businesses, such as brokerage and asset management. Zheshang Securities will also actively explore innovative businesses, take advantage of the opportunities brought about by "Phoenix Action", and expand the pipeline of premium projects so as to further optimize resource allocation and business structure.

Looking ahead to the second half of 2018, the management of the Company will leverage its competitive advantages, strengthen existing businesses and explore potential developments, continue to strengthen its core expressway business, improve the performance of the securities and financial business, and seek opportunities to invest in suitable projects through multiple channels in order to further increase the scale of the overall business and improve future profitability.

Disclosure of Interests and Other Matters

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of 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, 2018, none of the Directors, supervisors and chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept 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 (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

As at June 30, 2018, 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)
Zhejiang Communications Investment Group Co., Ltd.	Beneficial owner	2,909,260,000	100%

Disclosure of Interests and Other Matters

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	143,588,671 (L) 342,000 (S) 60,810,449 (P)	10.01% 0.02% 4.24%
BlackRock, Inc.	Interest of controlled corporation	127,981,350 (L)	8.93%
Citigroup Inc.	Interest of controlled corporation	73,194,876 (L) 293,200 (S) 71,702,373 (P)	5.10% 0.02% 5.00%

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, 2018, 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 CORPORATE GOVERNANCE CODE AND THE MODEL CODE

During the Period, the Company had complied with all code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") set out in Appendix 14 to the Listing Rules, and had adopted the recommended best practices in the Code as and when applicable.

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. Specific enquiry has been made to all the Directors and 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.

Disclosure of Interests and Other Matters

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM REPORT AND ACCOUNTS

Each of the Directors of the Company, whose name and function are listed in the section headed "Corporate 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 performance of the Group and the undertakings included in the consolidation taken as a whole;

- 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 during the Period, together with a description of the principal risks and uncertainties that the Group faces for the remaining six months of the financial year; and

- the interim report includes a fair review of the material related party transactions that have taken place during the Period and any material changes in the related party transactions described in the Company's annual report for the year ended December 31, 2017.

By order of the Board
Zhejiang Expressway Co., Ltd.
YU Zhihong
Chairman

Hangzhou, the PRC, August 23, 2018

The electronic version of this report is published on the HKExnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the Company's website (www.zjec.com.cn).

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the six months ended June 30, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Revenue	3	**4,632,296**	4,668,758
Including: Interest income		**704,445**	661,293
Operating costs		**(2,058,029)**	(2,240,430)
Gross profit		**2,574,267**	2,428,328
Securities investment gains		**142,049**	366,387
Other income and gains and losses	4	**261,329**	(78,572)
Administrative expenses		**(37,733)**	(34,316)
Other expenses		**(33,650)**	(20,740)
Impairment losses, net of reversal		**20,708**	9,603
Share of profit of associates		**136,133**	96,064
Share of profit of a joint venture		**11,652**	5,131
Finance costs	5	**(408,606)**	(330,307)
Profit before tax	6	**2,666,149**	2,441,578
Income tax expense	7	**(587,921)**	(559,763)
Profit for the Period		**2,078,228**	1,881,815
Profit for the Period attributable to:			
Owners of the Company		**1,812,222**	1,510,743
Non-controlling interests		**266,006**	371,072
		2,078,228	1,881,815

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the six months ended June 30, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
– Fair value gain during the Period		**–**	75,929
– Reclassification adjustments for cumulative gain upon disposal		**–**	(75,641)
Exchange difference on translation of financial statements of foreign operations		**652**	(242)
Income tax relating to items that may be reclassified subsequently		**–**	(72)
Other comprehensive income (expense) for the Period, net of income tax		**652**	(26)
Total comprehensive income for the Period		**2,078,880**	1,881,789
Total comprehensive income attributable to:			
Owners of the Company		**1,812,528**	1,510,730
Non-controlling interests		**266,352**	371,059
		2,078,880	1,881,789
Earnings per share	8		
Basic (Rmb cents)		**41.73**	34.78
Diluted (Rmb cents)		**37.47**	34.78

Condensed Consolidated Statement of Financial Position

	Notes	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Non-current assets			
Property, plant and equipment		**2,842,703**	2,948,134
Prepaid lease payments		**64,231**	65,300
Expressway operating rights		**12,820,111**	13,379,674
Goodwill		**86,867**	86,867
Other intangible assets		**162,885**	161,486
Interests in associates		**4,501,035**	1,686,227
Interest in a joint venture		**314,717**	303,065
Available-for-sale investments		**–**	711,715
Financial assets at fair value through profit or loss		**493,012**	–
Deferred tax assets		**351,978**	355,803
Other receivables	11	**69,903**	–
		21,707,442	19,698,271
Current assets			
Inventories		**131,530**	131,261
Trade receivables	9	**220,445**	244,587
Loans to customers arising from margin financing business	10	**6,921,488**	7,851,609
Other receivables and prepayments	11	**433,172**	911,226
Prepaid lease payments		**2,137**	2,137
Derivative financial assets		**24**	4,587
Available-for-sale investments		**–**	1,800,835
Held for trading investments		**–**	12,568,694
Financial assets at fair value through profit or loss		**18,667,176**	–
Financial assets held under resale agreements	12	**8,921,218**	9,793,492
Bank balances and clearing settlement fund held on behalf of customers		**16,316,534**	15,035,007
Pledged bank deposit		**9,992**	–
Bank balances, clearing settlement fund, deposits and cash		**7,734,828**	5,608,814
		59,358,544	53,952,249

Condensed Consolidated Statement of Financial Position

	Notes	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Current liabilities			
Accounts payable to customers arising from securities business		**16,290,060**	14,933,719
Trade payables	13	**596,706**	628,592
Tax liabilities		**463,407**	608,284
Other taxes payable		**90,468**	90,266
Other payables and accruals	14	**1,722,071**	2,515,399
Contract liabilities		**25,648**	–
Dividends payable		**1,529,124**	261,239
Derivative financial liabilities		**412**	3,941
Bank and other borrowings		**2,453,054**	420,000
Short-term financing note payable		**3,454,781**	762,800
Bonds payable		**2,049,715**	1,300,000
Financial assets sold under repurchase agreements	15	**9,890,214**	10,523,414
Financial liabilities at fair value through profit or loss		**130,573**	373,427
		38,696,233	32,421,081
Net current assets		**20,662,311**	21,531,168
Total assets less current liabilities		**42,369,753**	41,229,439
Non-current liabilities			
Bank and other borrowings		**61,380**	60,000
Bonds payable		**9,585,249**	8,850,000
Convertible bond	16	**2,615,021**	2,720,654
Deferred tax liabilities		**338,730**	394,434
		12,600,380	12,025,088
		29,769,373	29,204,351
Capital and reserves			
Share capital		**4,343,115**	4,343,115
Reserves		**16,820,979**	16,311,385
Equity attributable to owners of the Company		**21,164,094**	20,654,500
Non-controlling interests		**8,605,279**	8,549,851
		29,769,373	29,204,351

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital Rmb'000	Share premium Rmb'000	Statutory reserve Rmb'000	Capital reserve Rmb'000	Investment revaluation reserve Rmb'000	Foreign currency translation reserve Rmb'000	Special reserves Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000	Total Rmb'000	Rmb'000	Rmb'000
At January 1, 2017 (Audited)	4,343,115	3,355,621	4,767,824	1,712	75,818	458	18,666	1,281,219	4,472,724	18,317,157	5,858,770	24,175,927
Profit for the Period	–	–	–	–	–	–	–	–	1,510,743	1,510,743	371,072	1,881,815
Other comprehensive expense for the Period	–	–	–	–	112	(125)	–	–	–	(13)	(13)	(26)
Total comprehensive income for the Period	–	–	–	–	112	(125)	–	–	1,510,743	1,510,730	371,059	1,881,789
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(98,115)	(98,115)
A subsidiary's spin-off and offering	–	–	–	–	–	–	762,353	–	–	762,353	1,994,449	2,756,802
Final dividend	–	–	–	–	–	–	–	(1,281,219)	–	(1,281,219)	–	(1,281,219)
Proposed interim dividend	–	–	–	–	–	–	–	260,587	(260,587)	–	–	–
At June 30, 2017 (Unaudited)	4,343,115	3,355,621	4,767,824	1,712	75,930	333	781,019	260,587	5,722,880	19,309,021	8,126,163	27,435,184

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital Rmb'000	Share premium Rmb'000	Statutory reserve Rmb'000	Capital reserve Rmb'000	Investment revaluation reserve Rmb'000	Foreign currency translation reserve Rmb'000	Special reserves Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000	Total Rmb'000	Rmb'000	Rmb'000
At December 31, 2017 (Audited)	4,343,115	3,355,621	5,035,016	1,712	133,331	162	638,468	1,302,934	5,844,141	20,654,500	8,549,851	29,204,351
HKFRS 9 *Financial Instruments* ("HKFRS9") adjustments	-	-	-	-	(133,331)	-	-	-	133,331	-	-	-
At January 1, 2018 (Restated)	4,343,115	3,355,621	5,035,016	1,712	-	162	638,468	1,302,934	5,977,472	20,654,500	8,549,851	29,204,351
Profit for the Period	-	-	-	-	-	-	-	-	1,812,222	1,812,222	266,006	2,078,228
Other comprehensive income for the Period	-	-	-	-	-	306	-	-	-	306	346	652
Total comprehensive income for the Period	-	-	-	-	-	306	-	-	1,812,222	1,812,528	266,352	2,078,880
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(230,028)	(230,028)
Investment in a new subsidiary	-	-	-	-	-	-	-	-	-	-	19,104	19,104
Final dividend	-	-	-	-	-	-	-	(1,302,934)	-	(1,302,934)	-	(1,302,934)
At June 30, 2018 (Unaudited)	4,343,115	3,355,621	5,035,016	1,712	-	468	638,468	-	7,789,694	21,164,094	8,605,279	29,769,373

Condensed Consolidated Statement of Cash Flows

	For the six months ended June 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**748,584**	1,487,333
Net cash (used in) generated from investing activities	**(4,258,638)**	1,314,047
Net cash generated from (used in) financing activities	**5,643,272**	(1,621,465)
Net increase in cash and cash equivalents	**2,133,218**	1,179,915
Cash and cash equivalents at beginning of the Period	**5,588,814**	7,198,745
Effect of foreign exchange rate changes	**652**	(242)
Cash and cash equivalents at end of the Period	**7,722,684**	8,378,418

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as 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").

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, at the end of each reporting period.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2017.

Application of new and amendments to HKFRSs

In the Period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after January 1, 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 *Financial Instruments* with HKFRS 4 *Insurance Contracts*
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provision in the respective standards and amendments which results in changes in accounting policies, amount reported and disclosures as described below.

Except as described below, the application of the new and amendments to HKFRSs in the Period has had no material effect on the amounts reported and disclosures set out in these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the Period. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

Revenue of the Group comprises primarily toll revenue, sales of properties, hotel and catering revenue, commission on securities and futures dealing and broking, interest income arising from margin financing and securities lending, financial assets under resale agreements, asset management and fund management fees and underwriting and financial advisory fees. Interest income is not under the scope of HKFRS15.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, January 1, 2018. Except for the reclassification of other payables and accruals to contract liabilities, there is no difference at the date of initial application and the comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at January 1, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and the related interpretations.

Notes to Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (Continued)

Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (Continued)

Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notes to Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs *(Continued)*

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from contracts with customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at January 1, 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at December 31, 2017 Rmb'000	Reclassification Rmb'000	Carrying amounts under HKFRS15 at January 1, 2018 Rmb'000
Current liabilities			
Other payables and accruals	2,515,399	(19,614)	2,495,785
Contract liabilities	–	19,614	19,614

As at 1 January 2018, advances from customers of Rmb19,614,000 in respect of leasing and underwriting contracts previously included in other payables and accruals were reclassified to contract liabilities.

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the Period, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets, loan commitment and financial guarantee contracts, and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at January 1, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at January 1, 2018. The difference between carrying amounts as at December 31, 2017 and the carrying amounts as at January 1, 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Notes to Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Classification and measurement of financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "securities investment gains" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at January 1, 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in "summary of effects arising from initial application of HKFRS 9" below.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, loans to customers arising from margin financing business, other receivables and prepayments, financial assets held under resale agreements, pledged bank deposits, bank balances and clearing settlement fund held on behalf of customers, and bank balances, clearing settlement fund, deposits and cash, loan commitment and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

The Group always recognises lifetime ECL for trade receivables. For all other instruments, there are three stages in assessing ECL. The Group presumes that at stage one the credit risk is not significantly increased after initial recognition. At stage two there is significant increase in credit risk without objective evidence on event of ECL. At stage three, there is objective evidence of ECL.

The Group always recognises 12m ECL for instruments under stage one, and lifetime ECL for instruments under stage two and stage three.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

Measurement and recognition of ECL (Continued)

Except for loan commitments and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, loans to customers arising from margin financing business, other receivables and prepayments, financial assets held under resale agreements, pledged bank deposits, bank balances and clearing settlement fund held on behalf of customers, and bank balances, clearing settlement fund, deposits and cash where the corresponding adjustment is recognised through a loss allowance account.

For financial guarantee contracts and loan commitments, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

As at January 1, 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in the "summary of effects arising from initial application of HKFRS 9" below.

Notes to Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, January 1, 2018.

	Notes	Available-for-sale investments Rmb'000	Held for trading investments Rmb'000	Financial assets at FVTPL required by HKFRS 9 Rmb'000	Investment revaluation reserve Rmb'000	Retained profits Rmb'000
Closing balance at December 31, 2017 – HKAS 39		2,512,550	12,568,694	–	133,331	5,844,141
Effect arising from initial application of HKFRS 9:						
Reclassification						
Available-for-sale investments	(a)	(2,512,550)	–	2,512,550	(136,227)	136,227
Held for trading investments	(a)	–	(12,568,694)	12,568,694	–	–
Attributable from available-for-sale investments held by the Group's associates	(b)	–	–	–	2,896	(2,896)
Remeasurement						
Impairment under ECL model	(c)	–	–	–	–	–
Opening balance at January 1, 2018		–	–	15,081,244	–	5,977,472

(a) Available-for-sale investments and held for trading investments

From AFS investments and held for trading investments to FVTPL

At the date of initial application of HKFRS 9, the Group's equity investments and other investments of Rmb2,512,550,000 and Rmb12,568,694,000 were reclassified from available-for-sale investments and held for trading investments respectively to financial assets at FVTPL. The fair value gains of Rmb136,227,000 relating to those investments previously carried at fair value were transferred from investment revaluation reserve to retained profits.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to HKFRSs (Continued)

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(b) Attributable from available-for-sale investments held by the Group's associates

The net effects arising from the initial application of HKFRS 9 resulted in a reclassification of the Group's respective cumulative fair value losses of Rmb2,896,000 arising from the available-for-sale investments held by the Group's associates from investment revaluation reserve to retained profits.

(c) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics.

Loss allowances for other financial assets at amortised cost mainly comprise of loans to customers arising from margin financing business, other receivables and prepayments, financial assets held under resale agreements, pledged bank deposits, bank balances and clearing settlement fund held on behalf of customers, and bank balances, clearing settlement fund, deposits and cash are measured on ECL basis and there had been no significant increase in credit risk since initial recognition.

Upon the initial adoption of HKFRS 9 on January 1, 2018, the management of the Group has assessed that the amount of allowance on the financial assets, which was subject to impairment assessment, as estimated under the ECL under HKFRS 9 was not materially different from such under the "incurred loss model" under HKAS 39, and therefore, the opening balances of these financial assets as of January 1, 2018 had not been adjusted, accordingly.

Notes to Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION

Segment revenue and results

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

For the six months ended June 30, 2018 (Unaudited)

	Toll operation Rmb'000	Securities operation Rmb'000	Others Rmb'000	Total Rmb'000
Revenue – external customers	**3,065,847**	**1,513,651**	**52,798**	**4,632,296**
Segment profit	**1,684,227**	**251,648**	**142,353**	**2,078,228**

For the six months ended June 30, 2017 (Unaudited)

	Toll operation Rmb'000	Securities operation Rmb'000	Others Rmb'000	Total Rmb'000
Revenue – external customers	2,868,617	1,705,453	94,688	4,668,758
Segment profit	1,265,357	521,175	95,283	1,881,815

Segment profit represents the profit after tax of each operating segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

3. REVENUE AND 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, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Toll operation revenue	**3,065,847**	2,868,617
Commission and fee income from securities operation	**809,206**	1,044,160
Interest income from securities operation	**704,445**	661,293
Revenue from sales of properties	**–**	47,413
Hotel and catering revenue	**52,798**	47,275
Total	**4,632,296**	4,668,758

4. OTHER INCOME AND GAINS AND LOSSES

	For the six months ended June 30, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Interest income on bank balances and entrusted loan receivables	**28,691**	10,937
Rental income	**19,144**	17,837
Handling fee income	**2,008**	1,762
Towing income	**3,232**	3,595
(Loss) gain on commodity trading, net	**(9,102)**	9,917
Exchange gain (loss), net	**66,823**	(130,465)
Gain (loss) on change in fair value in respect of the derivative component of convertible bond	**109,334**	(45,242)
Others	**41,199**	53,087
Total	**261,329**	(78,572)

Notes to Condensed Consolidated Financial Statements

5. FINANCE COSTS

	For the six months ended June 30, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Bank and other borrowings	**32,336**	42,504
Short-term financing note	**77,917**	80,101
Bonds payable	**249,743**	191,389
Convertible bond	**48,610**	16,313
Total	**408,606**	330,307

6. PROFIT BEFORE TAX

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

	For the six months ended June 30, 2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Depreciation of property, plant and equipment	**131,191**	131,186
Release of prepaid lease payments	**1,068**	1,137
Amortisation of expressway operating rights (included in operation costs)	**559,563**	559,563
Amortisation of other intangible assets (included in operating costs)	**15,932**	12,695

7. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**639,800**	572,541
Deferred tax	**(51,879)**	(12,778)
	587,921	559,763

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 PRC subsidiaries is 25%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit. No Hong Kong Profits Tax has been provided as the Group has no estimated assessable profit in Hong Kong during the Period.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	For the six months ended June 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share (Profit for the Period attributable to owners of the Company)	**1,812,222**	1,510,743
Effect of dilutive potential ordinary shares arising from convertible bond	**(94,405)**	143,050
Earnings for the purpose of diluted earnings per share	**1,717,817**	1,653,793

Notes to Condensed Consolidated Financial Statements

8. EARNINGS PER SHARE (Continued)

Number of shares

	For the six months ended June 30, 2018 '000 (Unaudited)	2017 '000 (Unaudited)
Number of ordinary shares for the purpose of basic earnings per share	**4,343,115**	4,343,115
Effect of dilutive potential ordinary shares arising from convertible bond	**241,482**	166,727
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,584,597**	4,509,842

For the six months ended June 30, 2017, the computation of diluted earnings per share does not assume to the conversion of the Company's outstanding convertible bond since their exercise would result in an increase in earnings per share, therefore the basic earnings per share presented is the same as diluted earnings per share.

9. TRADE RECEIVABLES

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Trade receivables comprise:		
Fellow subsidiaries	**13,686**	10,207
Third parties	**209,742**	236,608
Total trade receivables	**223,428**	246,815
Less: Allowance for doubtful debts	**(2,983)**	(2,228)
	220,445	244,587

The Group has no credit period granted to its trade customers of toll operation business. The Group's trade receivable balance for toll operation is toll receivables from the respect expressway fee settlement centres of Zhejiang Province and Anhui Province, which are normally settled within 3 months. All of these trade receivables were not past due in both periods.

In respect of the Group's asset management service, security commission and financial advisory service operated by Zheshang Securities Co., Ltd. ("Zheshang Securities"), trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by management.

9. TRADE RECEIVABLES (Continued)

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Within 3 months	**179,776**	222,020
3 months to 1 year	**30,806**	20,468
1 to 2 years	**7,325**	2,010
Over 2 years	**2,538**	89
Total	**220,445**	244,587

10. LOANS TO CUSTOMERS ARISING FROM MARGIN FINANCING BUSINESS

The Group has provided customers with margin financing and security lending for securities transactions, the credit facility limits to margin clients are determined by the discounted market value of the pledged securities accepted by the Group or the market value of cash collaterals.

All of the loans to margin clients which are secured by the underlying pledged securities are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make good of the shortfall. The Group has the right to process forced liquidation if the customer fails to make good of the shortfall within a short period of time.

As at June 30, 2018, loans to customers under the margin financing and securities lending activities carried out in the PRC were secured by the customers' stock securities, bonds, funds and cash collaterals. The undiscounted market value of the stock security, bonds, funds collaterals was amounted to Rmb16,978,089,000 (2017: Rmb22,140,435,000). Cash collateral of Rmb450,777,000 (2017: Rmb491,032,000) received from clients was included in accounts payable to customers arising from securities business.

No aged analysis is disclosed as in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

Notes to Condensed Consolidated Financial Statements

11. OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Non-current		
Prepayments for a construction project	**69,903**	–
Current		
Entrusted loans and interest receivables from a related party	**–**	78,300
Receivables from Zhejiang Expressway Maintenance Co., Ltd. in relation to disposal of maintenance equipment	**13,303**	24,021
Prepayments	**78,976**	73,173
Advances in relation to asset management plans	**183,325**	229,070
Bond and listed equity subscription deposit	**79,600**	–
Others	**77,968**	506,662
Subtotal	**433,172**	911,226
Total	**503,075**	911,226

12. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENT

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Analysed by collateral type:		
Bonds	**4,130,083**	5,147,924
Stock securities	**4,791,135**	4,645,568
	8,921,218	9,793,492
Analysed by market:		
Inter-bank market	**286,083**	2,687,848
Shanghai/Shenzhen Stock Exchange	**8,635,135**	7,105,644
	8,921,218	9,793,492

The collaterals include both equity and debt securities listed in the PRC. As at June 30, 2018, the fair value of equity and debt securities as collaterals was Rmb9,405,813,000 (December 31, 2017: Rmb11,098,959,000) and Rmb4,033,280,000 (December 31, 2017: Rmb4,523,618,000), respectively.

13. TRADE PAYABLES

Trade payables mainly represent the construction payables for the improvement projects of toll expressways. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Within 3 months	**228,646**	267,464
3 months to 1 year	**114,946**	73,433
1 to 2 years	**104,305**	112,374
2 to 3 years	**61,738**	70,812
Over 3 years	**87,071**	104,509
Total	**596,706**	628,592

14. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Other liabilities:		
Accrued payroll and welfare	**881,352**	1,190,986
Advance from customers	**12,615**	44,879
Toll collected on behalf of other toll roads	**9,711**	9,543
Deposit received for disposal of an associate	**165,600**	165,600
Other investors' interest in consolidated limited partnership	**296,887**	421,782
Retention payable	**105,071**	98,713
Payables to fund management companies for clients	**11,779**	130,731
Others	**239,056**	219,270
	1,722,071	2,281,504
Other accruals	**–**	233,895
Total	**1,722,071**	2,515,399

Notes to Condensed Consolidated Financial Statements

15. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENT

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Analysed as collateral type:		
Bonds	**9,890,214**	8,263,414
Other rights and interest in debt instruments	**–**	2,260,000
	9,890,214	10,523,414
Analysed by market:		
Shanghai/Shenzhen Stock Exchange	**7,356,123**	4,018,588
Inter-bank market	**2,534,091**	4,244,826
Over the counter	**–**	2,260,000
	9,890,214	10,523,414

Sales and repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. Since the repurchase prices are fixed, the Group is still exposed to substantially all the credit risks and market risks and rewards of those securities sold. These securities are not derecognised from the financial statements but regarded as "collateral" for the liabilities because the Group retains substantially all the risks and rewards of these securities. In addition, the cash received is recognised as financial liability.

As at June 30, 2018, the Group entered into repurchase agreements with certain counterparties. The proceeds from selling such securities are presented as financial assets sold under repurchase agreements. Because the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred securities during the term of the arrangement.

16. CONVERTIBLE BOND

On April 21, 2017, the Company issued a zero coupon convertible bond due 2022 in an aggregate principal amount of Euro365,000,000 (the "Convertible Bond"). The Convertible Bond is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal terms of the Convertible Bond are set out below:

(1) Conversion right

The Convertible Bond will, at the option of the holder (the "Bondholders"), be convertible (unless previously redeemed, converted or purchased and cancelled) on or after June 1, 2017 up to April 11, 2022 into fully paid ordinary shares with a par value of Rmb1.00 each at an initial conversion price (the "Conversion Price") of HK$13.10 per H share and a fixed exchange rate of HK$8.2964 to Euro1.00 (the "Fixed Exchange Rate"). The Conversion Price is subject to the anti-dilutive adjustments and certain events including mainly: share consolidation, subdivision or re-classification, capitalisation of profits or reserves, capital distributions, rights issues of shares or options over shares, rights issues of other securities and issues at less than current market price. As at June 30, 2018, the conversion price is HK$12.54 per H share.

(2) Redemption

(i) Redemption at maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Convertible Bond at 100 percent of its outstanding principal amount on April 21, 2022 (the "Maturity Date").

(ii) Redemption at the option of the Company

The Company may, having given not less than 30 nor more than 60 days' notice, redeem the Convertible Bond in whole and not some only at 100 percent of their outstanding principal amount as at the relevant redemption date:

(a) at any time after April 21, 2020 but prior to the Maturity Date, provided that no such redemption may be made unless the closing price of an H share translated into Euro at the prevailing rate applicable to each Stock Exchange business day, for any 20 Stock Exchange business days within a period of 30 consecutive Stock Exchange business days, the last of such Stock Exchange business day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 Stock Exchange business days, at least 130 percent of the Conversion Price (translated into Euro at the Fixed Exchange Rate); or

(b) if at any time the aggregate principal amount of the Convertible Bond outstanding is less than 10 percent of the aggregate principal amount originally issued.

Notes to Condensed Consolidated Financial Statements

16. CONVERTIBLE BOND (Continued)

(2) Redemption (Continued)

(iii) Redemption at the option of the Bondholders

The Company will, at the option of the Bondholders, redeem whole or some of that holder's bond on April 21, 2020 (the "Put Option Date") at 100 percent of their outstanding principal amount on the Put Option Date.

The Convertible Bond comprises two components:

(1) Debt component was initially measured at fair value amounted to approximately Euro297,801,000 (equivalent to Rmb2,190,578,000). It is subsequently measured at amortised cost by applying effective interest rate method after considering the effect of the transaction costs. The effective interest rate used is 4.28%.

(2) Derivative component comprises conversion right of the Bondholders, redemption option of the Company, and redemption option of the Bondholders.

Transaction costs totalling Rmb16,725,000 that relate to the issue of the Convertible Bond are allocated to the components (including conversion right and redemption options) in proportion to their respective fair values. Transaction costs amounting to approximately Euro419,000 (equivalent to Rmb3,079,000) relating to the derivative component were charged to profit or loss of the corresponding period of 2017. Transaction costs amounting to approximately Euro1,855,000 (equivalent to Rmb13,646,000) relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the Convertible Bond using the effective interest method.

The derivative component was measured at fair value with reference to valuation carried out by a firm of independent professional valuers.

16. CONVERTIBLE BOND (Continued)

(2) Redemption (Continued)

(iii) Redemption at the option of the Bondholders (Continued)

The movement of the debt and derivative components of the Convertible Bond for the Period is set out as below:

	Debt component		**Derivative components**		**Total**	
	Euro'000	Rmb'000	Euro'000	Rmb'000	Euro'000	Rmb'000
Opening balance (Audited)	304,504	2,375,831	44,195	344,823	348,699	2,720,654
Exchange realignment	–	(44,909)	–	–	–	(44,909)
Interest charge	6,520	48,610	–	–	6,520	48,610
Gain on change in fair value	–	–	(13,418)	(109,334)	(13,418)	(109,334)
Closing balance (Unaudited)	311,024	2,379,532	30,777	235,489	341,801	2,615,021

No conversion or redemption of the Convertible Bond has occurred up to June 30, 2018.

17. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of the related party transactions during the Period:

(1) 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 Zhejiang Communications Investment Group Co., Ltd. (the "Communications Group") which is controlled by the PRC government. However, due to the business nature, in respect of the Group's toll road business and securities 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. Details of other significant transactions with government related parties are summarised below:

Notes to Condensed Consolidated Financial Statements

17. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Entrusted loan

Pursuant to the entrusted loan contracts entered into between the Company and Zhejiang Highway Logistic Company Limited ("Logistic Co") on September 28, 2017, Logistic Co agreed to provide the Company with a entrusted loan principal amounting to Rmb60,000,000 at a fixed interest rate of 3.00% per annum, with maturity date of September 28, 2020.

	For the six months ended June 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Interest expenses incurred	**905**	–

Equity investment

Pursuant to the agreement entered into between the Company and Zhejiang Hongtu Transportation Construction Company ("Zhejiang Hongtu") in March 2018, the Company and Zhejiang Hongtu set up Deqing County De An Construction Company ("De An Co", 80.1% owned by the Company).

During the Period, Zhejiang Hongtu injected Rmb19,104,000 to the capital of De An Co.

Management and Administrative services

The Company has entered into agreements with the Communications Group and its subsidiary, Hangzhou Santongdao South Line Engineering Co., Ltd. (" Santongdao Co"), pursuant to which, the Company would provide the management and administrative services for three toll roads, including Shenjiahuhang Expressway, Shensuzhewan Expressway and South Line of Qian Jiang Channel. According to the agreements, the Company would charge the Communications Group and Santongdao Co management fee on actual cost basis. During the Period, a total management fee of Rmb673,000 (Corresponding period of 2017: Rmb385,000) has been charged.

17. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Other transactions

	For the six months ended June 30,	
	2018	2017
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Toll road service area leasing income earned (Note i)	**4,733**	4,473
Toll road service area management fee paid (Note i)	**1,550**	1,466
Property leasing income earned	**1,004**	3,006
Road maintenance service expenses incurred (Note ii)	**70,846**	106,332
Information system related development expenses incurred	**–**	2,192
Information system services expenses incurred	**496**	3,345

Note i: Pursuant to the leasing and operation agreement entered into between Zhejiang Jinhua Yongjin Expressway Co., Ltd. ("Jinhua Co", a 100% owned subsidiary of the Company), Zhejiang Hanghui Expressway Co., Ltd. ("Hanghui Co", a non-wholly-owned subsidiary of the Company) and Zhejiang Communications Investment Group Industrial Development Co., Ltd. ("Zhejiang Communications Investment", a fellow subsidiary of Communications Group), Jinhua Co and Hanghui Co leased the toll road service area to Zhejiang Communications Investment and Zhejiang Communications Investment managed the operation of the service area in respect of the toll road service area. Such businesses began from January 1, 2011, and will be expired at the same time with the operating rights.

Note ii: Pursuant to the daily and specific road maintenance agreements entered between the Company and the relevant subsidiaries of the Company and the subsidiaries of Communications Group, the subsidiaries of Communications Group agreed to provide the daily and specific road maintenance services to the Group's five expressways, namely: the Shanghai-Hangzhou-Ningbo Expressway, the Shangsan Expressway, Jinhua section, Ningbo-Jinhua Expressway, the Hanghui Expressway, and the Huihang Expressway.

Others

The Group has entered into various significant 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.

Notes to Condensed Consolidated Financial Statements

17. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Financial service provided by Zhejiang Communications Investment Group Finance Co., Ltd. ("Zhejiang Communications Finance")

The Group has entered into a financial services agreement with Zhejiang Communications Finance. Pursuant to the agreement, Zhejiang Communications Finance agreed to provide the Group with deposit services, the loan and financial leasing services, the clearing services and other financial services.

Loans advanced from Zhejiang Communications Finance

Zhejiang Communications Finance provided Hanghui Co with several additional short-term loans with aggregated principal amount of Rmb610,000,000 and floating interest rates of 4.2195% and 4.350% per annum. Zhejiang Communications Finance provided the Company with additional short-term loans with aggregated principal amount of Rmb1,420,000,000 at a floating interest rate of 4.350% per annum, among which principal amount of Rmb1,200,000,000 was early repaid during the Period.

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Outstanding loan principal balances:		
Repayable within one year	**1,250,000**	420,000

	For the six months ended June 30,	
	2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Interest expenses incurred	**19,960**	8,597

17. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Deposits to Zhejiang Communications Finance

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Bank balances and cash		
– Cash and cash equivalents	**1,485,380**	1,301,639

	For the six months ended June 30,	
	2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Interest income earned	**6,817**	3,382

Sales of asset management schemes and beneficial certificates to Zhejiang Communications Finance

During the Period, Zheshang Securities Asset Management Co., Ltd. ("Asset Management", an indirect subsidiary of the Company) entered asset management agreements with Zhejiang Communications Finance, and agreed to sell 400,000,000 units (equivalent to Rmb400,000,000) of the asset management scheme to Zhejiang Communications Finance, among which, 100,000,000 asset management agreement was terminated during the Period; in addition, Zheshang Securities agreed to sell beneficial certificates totalling Rmb800,000,000 to Zhejiang Communications Finance, which were all due with related interest expense totalling Rmb 7,841,000 paid.

Pursuant to the asset management agreement entered between Zhejiang Communications Finance and Asset Management on September 20, 2016, Asset Management agreed to sell 69,000,000 units (equivalent to Rmb69,000,000) of the asset management scheme to Zhejiang Communications Finance, and the asset management agreement was terminated on March 1, 2017.

Notes to Condensed Consolidated Financial Statements

17. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

Short-term loans advanced to Zhejiang Canal Concord Property Co., Ltd. ("Zhejiang Canal Concord")

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Outstanding loan receivable balances	**–**	77,650
Interest receivables	**–**	650
Analysed for reporting purpose as:		
Current assets	**–**	78,300

	For the six months ended June 30,	
	2018 Rmb'000 (Unaudited)	2017 Rmb'000 (Unaudited)
Interest income earned	**438**	7,117

The Group advanced several entrusted loans to Zhejiang Canal Concord, a subsidiary of Zhejiang Concord Property Co., Ltd. ("Zhejiang Concord Property"). During the Period, no additional entrusted loan was provided (corresponding period of 2017: Nil), and the Group received settlement of loan principal and interests amounting to Rmb77,650,000 and Rmb1,115,000(corresponding period of 2017: Rmb105,000,000 and Rmb2,414,000), respectively.

The entrusted loans were unsecured and repayable in accordance with the terms of entrusted loan agreements, carrying interests at an effective interest rate of 6.00% (correspond period of 2017:3.915%) per annum. Such entrusted loans were guaranteed by Zhejiang World Trade Center Real Estate Development Co., Ltd., which is the controlling shareholder of Zhejiang Concord Property, an independent third party of the Group, in full.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

	Financial assets	Classified as	**Fair value as at June 30, 2018 Rmb'000 (Unaudited)**	Fair value as at December 31, 2017 Rmb'000 (Audited)	Fair value hierachy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
(1)	Equity investments listed in exchange	Held for trading investments	**-**	76,734	Level 1	Quoted bid prices in an active market.	N/A	N/A
		Financial assets at fair value through profit or loss	**444,912**	–	Level 1	Quoted bid prices in an active market.	N/A	N/A
(2)	Equity securities traded in inactive market	Available-for-sale investments	**-**	179,274	Level 2	Recent transaction price.	N/A	N/A
		Available-for-sale investments	**-**	751,530	Level 3	Discounted cash flow. The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability.	Discounted for lack of marketability	The higher the discount, the lower the fair value.
		Financial assets at fair value through profit or loss	**138,471**	–	Level 2	Recent transaction price.	N/A	N/A
		Financial assets at fair value through profit or loss	**475,715**	–	Level 3	Discounted cash flow. The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability.	Discounted for lack of marketability	The higher the discount, the lower the fair value.
(3)	Listed funds	Held for trading investments	**-**	300,502	Level 1	Quoted bid prices in an active market.	N/A	N/A
		Available-for-sale investments	**-**	63,881	Level 1	Quoted bid prices in an active market.	N/A	N/A
		Financial assets at fair value through profit or loss	**352,667**	–	Level 1	Quoted bid prices in an active market.	N/A	N/A

Notes to Condensed Consolidated Financial Statements

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

	Financial assets	Classified as	**Fair value as at June 30, 2018 Rmb'000 (Unaudited)**	Fair value as at December 31, 2017 Rmb'000 (Audited)	Fair value hierachy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
(4)	Unlisted funds investments	Available-for-sale investments	**-**	59,970	Level 2	Based on the net asset values of the equity investment, with reference to observable market price.	N/A	N/A
		Available-for-sale investments	**-**	271,579	Level 3	Net asset of the fund which is determined by the fair value of underlying investments.	The fair value of underlying investments	The higher the fair value of underlying investment, the higher the fair value.
		Financial assets at fair value through profit or loss	**91,989**	-	Level 2	Based on the net asset values of the equity investment, with reference to observable market price.	N/A	N/A
		Financial assets at fair value through profit or loss	**315,969**	-	Level 3	Net asset of the fund which is determined by the fair value of underlying investments.	The fair value of underlying investments	The higher the fair value of underlying investment, the higher the fair value.
(5)	Debt investments listed in exchange and debt investments in interbank market	Held for trading investments	**-**	5,569,010	Level 1	Quoted bid prices in an active market.	N/A	N/A
		Held for trading investments	**-**	6,622,448	Level 2	Discounted cash flow. Future cash flows are estimated based on applying the interest yield curves of different types of bonds as the key parameter.	N/A	N/A
		Financial assets at fair value through profit or loss	**8,201,215**	-	Level 1	Quoted bid prices in an active market.	N/A	N/A
		Financial assets at fair value through profit or loss	**6,411,686**	-	Level 2	Discounted cash flow. Future cash flows are estimated based on applying the interest yield curves of different types of bonds as the key parameter.	N/A	N/A

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

	Financial assets	Classified as	**Fair value as at June 30, 2018 Rmb'000 (Unaudited)**	Fair value as at December 31, 2017 Rmb'000 (Audited)	Fair value hierachy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
(6)	Investment in structured products	Available-for-sale investments	**-**	868,579	Level 2	The fair value was based on the net value of the underlying assets. The net asset value of the products was calculated by observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A	N/A
		Available-for-sale investments	**-**	46,214	Level 3	Discounted cash flow. Future cash flows are estimated based on expected applicable yield of underlying investment portfolio and adjustment of related expenses.	Future cash flows and discount rate	The higher the future cash flows, the higher the fair value. The higher the discounted rate, the lower the fair value.
		Financial assets at fair value through profit or loss	**2,365,501**	–	Level 2	The fair value was based on the net value of the underlying assets. The net asset value of the products was calculated by observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A	N/A
		Financial assets at fair value through profit or loss	**47,457**	–	Level 3	Discounted cash flow. Future cash flows are estimated based on expected applicable yield of underlying investment portfolio and adjustment of related expenses.	Future cash flows and discount rate	The higher the future cash flows, the higher the fair value. The higher the discounted rate, the lower the fair value.

Notes to Condensed Consolidated Financial Statements

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

	Financial assets	Classified as	**Fair value as at June 30, 2018 Rmb'000 (Unaudited)**	Fair value as at December 31, 2017 Rmb'000 (Audited)	Fair value hierachy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
(7)	Investment in trust products	Available-for-sale investments	**-**	254,226	Level 3	Discounted cash flow. Future cash flows are estimated based on applicable yield of underlying investment portfolio and adjustment of related expenses.	Future cash flows and discount rate	The higher the future cash flows, the higher the fair value. The higher the discounted rate, the lower the fair value.
		Financial assets at fair value through profit or loss	**297,309**	–	Level 3	Discounted cash flow. Future cash flows are estimated based on applicable yield of underlying investment portfolio and adjustment of related expenses.	Future cash flows and discount rate	The higher the future cash flows, the higher the fair value. The higher the discounted rate, the lower the fair value.
(8)	Unquoted equity investments	Financial assets at fair value through profit or loss	**17,297**	–	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries.	N/A

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

	Financial liabilities	Classified as	**Fair value as at June 30, 2018 Rmb'000 (Unaudited)**	Fair value as at December 31, 2017 Rmb'000 (Audited)	Fair value hierachy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
(1)	Investments in interbank market	Fair value through profit or loss	**-**	223,234	Level 2	Discounted cash flow. Future cash flows are estimated based on applying the interest yield curves of different types of bonds as the key parameter.	N/A	N/A
(2)	Investments in asset management scheme	Fair value through profit or loss	**130,573**	150,193	Level 2	Shares of the net assets of the products, determined with reference to the net asset value of the products, calculated by observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A	N/A
(3)	Derivative component of Convertible Bond	Derivative component of Convertible Bond	**235,489**	344,823	Level 3	Binomial option pricing Model.	Expected volatility takes into account the actual historical share price of the Company over the same time period as the Convertible Bond's remaining time to maturity.	The higher the expected volatility, the higher the fair value.

There were no transfer between Level 1 and Level 2 during the Period.

Notes to Condensed Consolidated Financial Statements

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

As at June 30, 2018 (Unaudited)

	Level 1 Rmb'000	Level 2 Rmb'000	Level 3 Rmb'000	Total Rmb'000
Financial assets at fair value through profit or loss				
– Equity securities				
a. Manufacturing	406,998	22,970	–	429,968
b. Financial services	21,117	–	–	21,117
c. Information technology service	13,303	16,871	475,715	505,889
d. Transportation, storage and postal service	161	75,343	–	75,504
e. Energy and water services	778	–	–	778
f. Real Estate	388	6,818	–	7,206
g. Construction	569	1,072	–	1,641
h. Culture, sports and entertainment	–	10,322	–	10,322
i. Wholesaling	452	4,068	–	4,520
k. Agriculture, forestry, fishing and Animal husbandry	213	–	–	213
l. Others	933	1,007	–	1,940
Sub-total	444,912	138,471	475,715	1,059,098
– Fund	352,667	91,989	315,969	760,625
– Debt investments	8,201,215	6,411,686	–	14,612,901
– Structured products	–	2,365,501	47,457	2,412,958
– Trust products	–	–	297,309	297,309
– Equity investments	–	–	17,297	17,297
Total	8,998,794	9,007,647	1,153,747	19,160,188
Financial liabilities at fair value through profit or loss				
– Asset management scheme	–	130,573	–	130,573
Derivative component of Convertible Bond	–	–	235,489	235,489

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

As at December 31, 2017 (Audited)

	Level 1 Rmb'000	Level 2 Rmb'000	Level 3 Rmb'000	Total Rmb'000
Held for trading investments				
– Equity securities				
a. Manufacturing	48,500	–	–	48,500
b. Financial services	4,039	–	–	4,039
c. Information technology service	9,101	–	–	9,101
d. Transportation, storage and postal service	1,223	–	–	1,223
e. Energy and water services	793	–	–	793
f. Real Estate	7,061	–	–	7,061
g. Water conservancy, environment and public facilities management	790	–	–	790
h. Wholesaling	1,512	–	–	1,512
i. Others	3,715	–	–	3,715
Sub-total	76,734	–	–	76,734
– Open-ended fund	300,502	–	–	300,502
– Bonds	5,569,010	6,622,448	–	12,191,458
Total	5,946,246	6,622,448	–	12,568,694

Notes to Condensed Consolidated Financial Statements

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

As at December 31, 2017 (Audited) (Continued)

	Level 1 Rmb'000	Level 2 Rmb'000	Level 3 Rmb'000	Total Rmb'000
Available-for-sale investments				
– Equity securities				
a. Manufacturing	–	71,612	57,112	128,724
b. Information technology service	–	38,144	694,418	732,562
c. Financial services	–	7,067	–	7,067
d. Transportation, storage and postal service	–	3,221	–	3,221
e. Construction	–	4,137	–	4,137
f. Wholesaling	–	15,326	–	15,326
g. Others	–	39,767	–	39,767
Sub-total	–	179,274	751,530	930,804
– Fund	63,881	59,970	271,579	395,430
– Structured products	–	868,579	46,214	914,793
– Trust products	–	–	254,226	254,226
Total	63,881	1,107,823	1,323,549	2,495,253
Financial liabilities at fair value through profit or loss				
– Bonds	–	223,234	–	223,234
– Asset management scheme	–	150,193	–	150,193
Total	–	373,427	–	373,427
Derivative component of Convertible Bond	–	–	344,823	344,823

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position that are measured at fair value on a recurring basis (Continued)

The following table represents the changes in level 3 financial instruments during the year end December 31, 2017 and the period ended June 30, 2018.

	Structured products Rmb'000	Trust products Rmb'000	Restricted shares Rmb'000	Funds Rmb'000	Equity investments Rmb'000	Total Rmb'000
As at January 1, 2017	133,387	10,000	315,878	–	–	459,265
Addition	45,100	250,000	27,500	258,881	–	581,481
Disposal	(132,580)	(10,000)	–	–	–	(142,580)
Recognised in other comprehensive income	307	4,226	134,807	12,698	–	152,038
Recognised in other fair value changes	–	–	273,345	–	–	273,345
As at December 31, 2017	46,214	254,226	751,530	271,579	–	1,323,549
Addition	**–**	**47,500**	**–**	**63,800**	**17,297**	**128,597**
Disposal	**–**	**–**	**–**	**(21,008)**	**–**	**(21,008)**
Recognised in fair value changes	**1,243**	**(4,417)**	**(105,808)**	**1,598**	**–**	**(107,384)**
Recognised in other fair value changes	**–**	**–**	**(136,251)**	**–**	**–**	**(136,251)**
Transfer out from level 3	**–**	**–**	**(33,756)**	**–**	**–**	**(33,756)**
As at June 30, 2018	**47,457**	**297,309**	**475,715**	**315,969**	**17,297**	**1,153,747**

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities at amortised costs recognised in the consolidated statement of financial position approximate their fair values.

	As at June 30, 2018		As at December 31, 2017	
	Carrying amount Rmb'000 (Unaudited)	**Fair value Rmb'000 (Unaudited)**	Carrying amount Rmb'000 (Audited)	Fair value Rmb'000 (Audited)
Debt component of Convertible Bond	**2,379,532**	**2,417,246**	2,375,831	2,402,383

The fair value of the debt component of Convertible Bond as at June 30, 2018 is under level 3 category and was determined by the Directors with reference to the valuation performed by a firm of independent professional valuers. The fair value of the debt component of Convertible Bond is determined by discounted cash flow using the inputs including estimated cash flows over the remaining terms of the Convertible Bond and discount rate that reflected the credit risk of the Company.

Notes to Condensed Consolidated Financial Statements

19. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

	As at June 30, 2018 Rmb'000 (Unaudited)	As at December 31, 2017 Rmb'000 (Audited)
Investments in subsidiaries	**11,347,973**	11,271,077
Amounts due from subsidiaries	**79,092**	1,234,205
Other assets	**11,486,346**	7,827,055
	22,913,411	20,332,337
Total liabilities	**8,616,493**	6,468,490
Capital and reserves		
Share capital	**4,343,115**	4,343,115
Reserves	**9,953,803**	9,520,732
	14,296,918	13,863,847

20. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on August 23, 2018.

Corporate Information

CHAIRMAN

YU Zhihong

EXECUTIVE DIRECTORS

CHENG Tao
LUO Jianhu *(General Manager)*

NON-EXECUTIVE DIRECTORS

DAI Benmeng
YU Qunli
YU Ji

INDEPENDENT NON-EXECUTIVE DIRECTORS

PEI Ker-Wei
LEE Wai Tsang, Rosa
CHEN Bin

SUPERVISORS

YAO Huiliang
HE Meiyun
WU Qingwang
ZHAN Huagang
WANG Yubing

COMPANY SECRETARY

Tony ZHENG

AUTHORIZED REPRESENTATIVES

YU Zhihong
LUO Jianhu

STATUTORY ADDRESS

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Fax: 86-571-8798 5599

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United Kingdom

Corporate Information

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PRC 310007

AUDITORS

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Hong Kong

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36 Hennessy Road, Wanchai
Hong Kong
Tel : 852-2117 0861
Fax: 852-2117 0869

PRINCIPAL BANKERS

Industrial and Commercial Bank of China, Jiefang Road 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

REPRESENTATIVE OFFICE IN HONG KONG

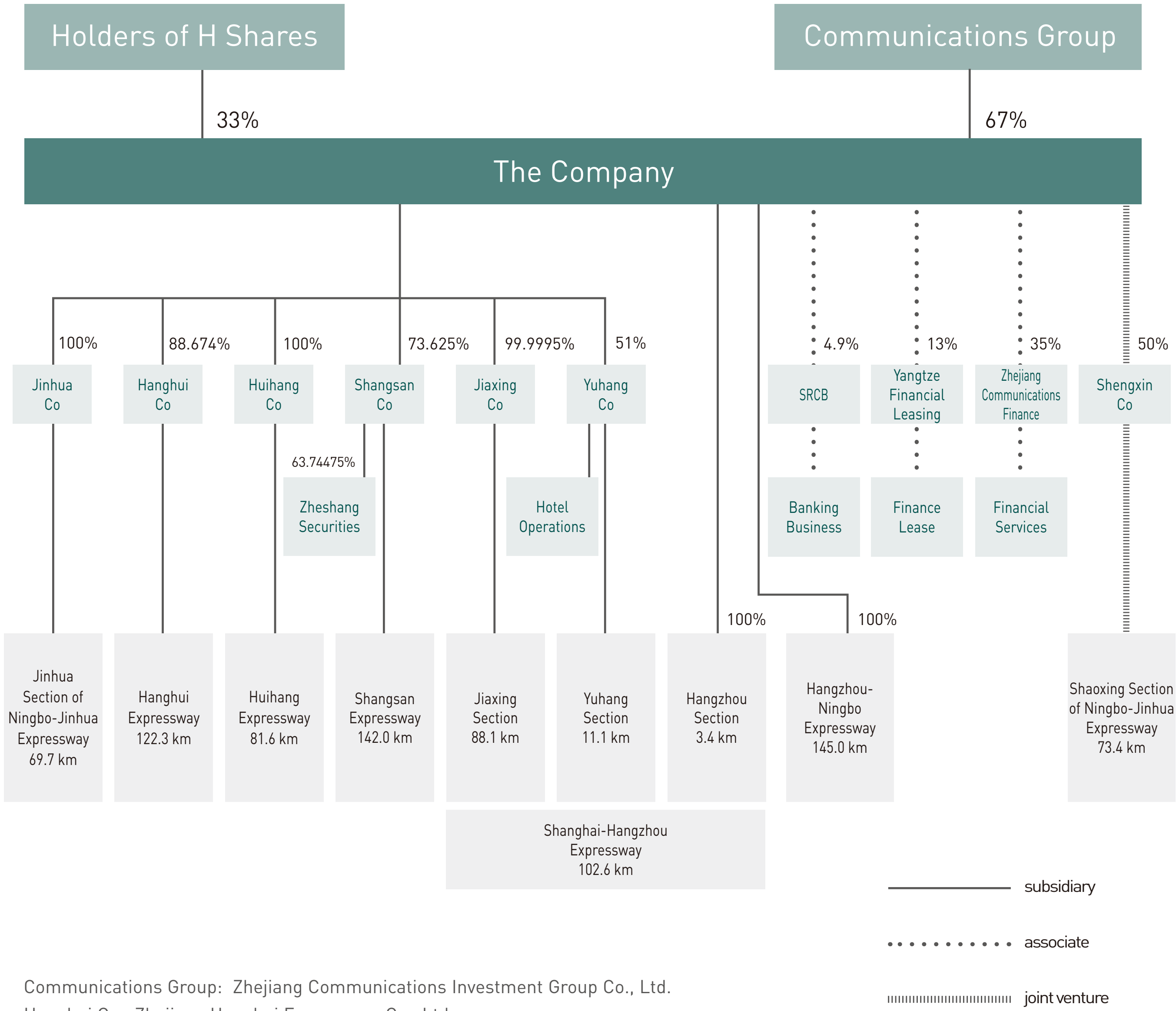
Room 2910
29/F, Bank of America Tower
12 Harcourt Road
Hong Kong
Tel : 852-2537 4295
Fax: 852-2537 4293

WEBSITE

www.zjec.com.cn

Corporate Structure of the Group

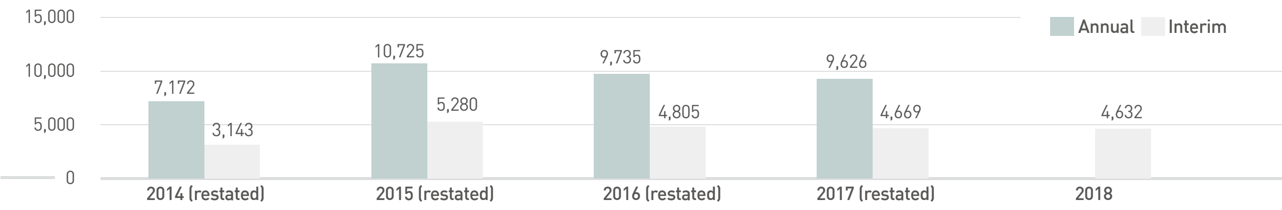
Set out below is the corporate and business structure of the Group as at June 30, 2018:



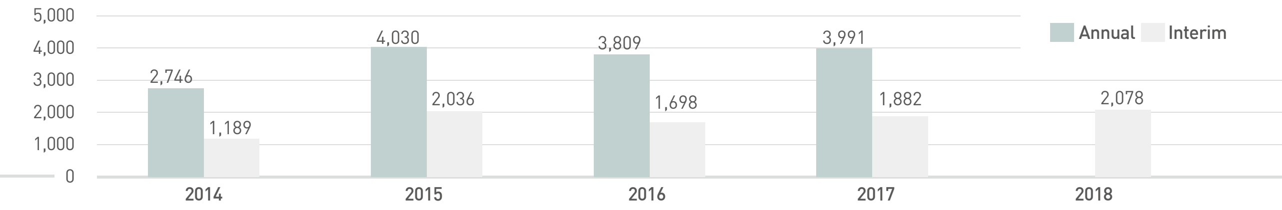
Communications Group: Zhejiang Communications Investment Group Co., Ltd.
Hanghui Co: Zhejiang Hanghui Expressway Co., Ltd.
Huihang Co: Huangshan Yangtze Huihang Expressway Co., Ltd.
Jiaxing Co: Zhejiang Jiaxing Expressway Co., Ltd.
Jinhua Co: Zhejiang Jinhua Yongjin Expressway Co., Ltd.
Shangsan Co: Zhejiang Shangsan Expressway Co., Ltd.
Shengxin Co: Shengxin Expressway Co., Ltd.
SRCB: Shanghai Rural Commercial Bank Co., Ltd.
Yangtze Financial Leasing: Yangtze United Financial Leasing Co., Ltd.
Yuhang Co: Zhejiang Yuhang Expressway Co., Ltd.
Zhejiang Communications Finance: Zhejiang Communications Investment Group Finance Co., Ltd.
Zheshang Securities: Zheshang Securities Co., Ltd.

Financial Highlights

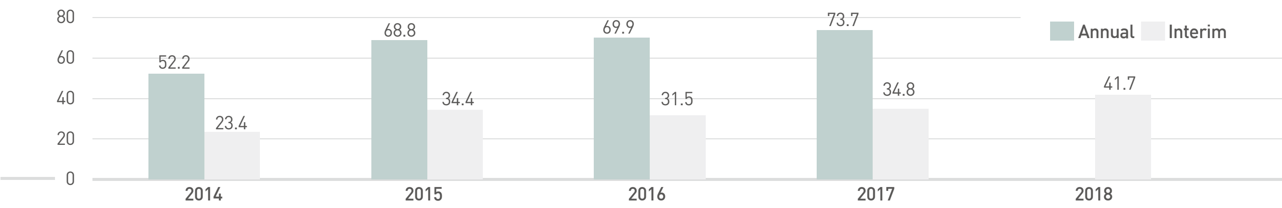
Revenue/Rmb Million (Continuing operations)



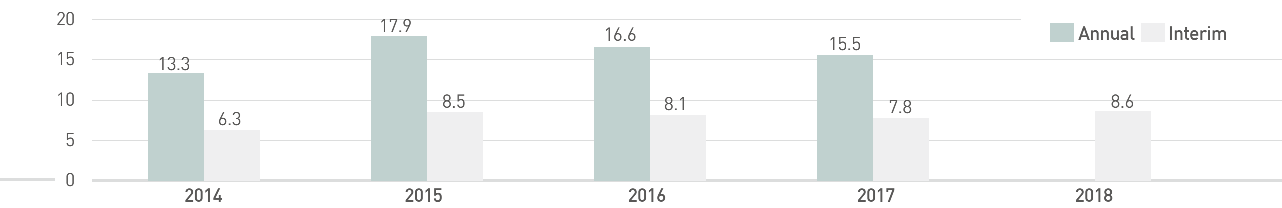
Net Profit/Rmb Million (Continuing and discontinued operations)



Basic EPS/Rmb Cents (Continuing and discontinued operations)



ROE (%)




JIANGSU PROVINCE
Suzhou
Tai Lake
Shanghai
PUDONG AIRPORT
SHANGHAI MUNICIPALITY
Fengjing
ANHUI PROVINCE
ShenSuZheWan Exp.
Huzhou
ShenJiaHuHang Exp.
Jiaxing
HangNing Exp.
HangChang Exp.
ZaJiaSu Exp.
Shanghai-Hangzhou Exp.
Hangzhou Bay
Hangzhou Bay Bridge
EAST CHINA
QianJiang Bridge
HangPu Exp.
Hangzhou Ring Road
Hangzhou
Dajing
XIAOSHAN AIRPORT
Qiantang River
JiaShao Exp.
HangShaoYong Exp.
Huihang Exp.
HangHui Exp.
ZhouShan Cross-Sea Bridges
Hangzhou-Ningbo Exp.
Guzhu
Zhoushan
Shaoxing
Shangyu
Ningbo
HangXinJing Exp.
Fuchun River
Ningbo Ring Road
HangShaoTai Exp.
LISHE AIRPORT
ChuanShanShuGang Exp.
QianDaoHu Exp.
Huangshan
Zhuji
ShaoZhu Exp.
ShangSan Exp.
YongJin (ShaoXing) Exp.
Qiandao Lake
HangJinQu Exp.
YongJin (NingBo) Exp.
YiDong Exp.
HangXinJing Exp.
YongTaiWen Exp.
YongTaiWen Exp.Secondary Route
LongYou Exp.
YongJin (JinHua) Exp.
Yiwu
ZHEJIANG PROVINCE
HuangQuNan Exp.
Longyou
Sanmen
Jinhua
DongYong Exp.
Quzhou
ZhuYong Exp.
JIANGXI PROVINCE
LongLi Exp.
JinLiWen Exp.
Taizhou
Jiao River
TaiJin Exp.
Lishui
Yongjia
YunJing Exp.
Ou River
LiLongQing Exp.
Wenzhou Ring Road
Wenzhou
LEGEND
PROVINCIAL CAPITAL
MUNICIPAL CAPITAL
OTHER CITIES/TOWNS
AIRPORT
RIVER
SERVICE AREA
EXPRESSWAY OPERATED BY THE GROUP
EXPRESSWAYS INVESTED BY THE GROUP
OTHER EXPRESSWAY IN OPERATION
EXPRESSWAY UNDER CONSTRUCTION
NATIONAL ROUTE
RAILWAY
PROVINCIAL BOUNDARY
THIS IS AN UNOFFICIAL MAP

Location Map of Expressways in Zhejiang Province