

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**江蘇寧滬高速公路股份有限公司**  
**JIANGSU EXPRESSWAY COMPANY LIMITED**

*(Incorporated in the People's Republic of China as a joint-stock limited company)*

**(Stock Code: 00177)**

**2015 INTERIM RESULTS PRELIMINARY ANNOUNCEMENT**

The content of sections 3, 5 and 6 is disclosed pursuant to Rule 13.49(6) and paragraph 46 of appendix 16 of the Hong Kong Listing Rules.

The other information is disclosed pursuant to the Shanghai Listing Rules.

**I. IMPORTANT NOTICE**

- 1.1 The board of directors (the “Board”), the supervisory committee and directors, supervisors and senior management of Jiangsu Expressway Company Limited (the “Company”) warrant that there are no false representations, misleading statements or material omissions in this announcement; and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the content of this announcement.

This summary of the interim report is extracted from the full interim report, which is published on [www.sse.com.cn](http://www.sse.com.cn), [www.hkexnews.hk](http://www.hkexnews.hk) and [www.jsexpressway.com](http://www.jsexpressway.com). For details, investors should read the full interim report carefully.

The audit committee of the Company had reviewed and confirmed the full text and summary of the interim report for the six months ended 30 June 2015. The relevant financial information is prepared in accordance with the PRC Accounting Standards for Business Enterprises (“PRC Accounting Standards”) and is unaudited.

## 1.2 Company Profile

Abbreviation of Stock Name	寧滬高速(A Shares)	Jiangsu Expressway (H Shares)	JEXYY(ADR)
Stock Code	600377	00177	477373104
Stock Exchanges where the Company’s shares are listed	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	The United States of America
Name	Secretary to the Board Yao Yong Jia	Securities Officers Jiang Tao, Lou Qing	
Address	6 Xianlin Avenue, Nanjing, Jiangsu, the PRC		
Telephone	8625-84469332	8625-84362700-301836, 301835	
Fax	8625-84207788	8625-84466643	
Email Address	jsnh@jsexpwy.com		

## II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

### 2.1 Major financial data and financial indicators

*Unit: Yuan Currency: Renminbi*

	<b>As at the end of the Reporting Period</b>	As at the end of the previous year		Increase/ decrease in the end of the Reporting Period as compared to the end of the previous year  (%)
		Before restatement	After restatement	
Total assets	<b>37,655,245,810</b>	37,481,617,108	26,767,645,078	0.46
Net assets attributable to shareholders of the Company	<b>19,739,249,874</b>	21,015,980,062	18,998,380,774	-6.08

	The Reporting Period	The corresponding period of the previous year		Increase/ decrease in the Reporting Period as compared to the corresponding period of the previous year (%)
		Before restatement	After restatement	
Net cash flow from operating activities	<b>2,072,655,464</b>	1,994,672,975	1,642,610,163	3.91
Operating income	<b>4,310,667,008</b>	4,364,787,034	3,926,767,168	-1.24
Net profit attributable to shareholders of the Company	<b>1,726,699,765</b>	1,181,186,740	1,344,010,654	46.18
Net profit attributable to shareholders of the Company after non-recurring profit or loss	<b>1,463,749,830</b>	1,182,867,199	1,344,141,295	23.75
Weighted average return on net assets(%)	<b>7.96</b>	5.58	6.64	Increased by 2.38 percentage point
Basic earnings per share (Yuan/share)	<b>0.3428</b>	0.2345	0.2668	46.18
Diluted earnings per share (Yuan/share)	<b>N/A</b>	N/A	N/A	N/A

## 2.2 Shareholdings of top ten shareholders

*Unit: Share*

Total number of shareholders as at the end of the Reporting Period (number of H shareholders: 453 inclusive) 40,498

Total number of preference shareholders with voting rights restored as at the end of the Reporting Period 0

### Shareholdings of top ten shareholders

Name of shareholder	Type of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares held subject to selling restrictions	Number of shares pledged or frozen
Jiangsu Communications Holdings Company Ltd.	State-owned legal person	54.44	2,742,578,825	0	Nil
China Merchants Huajian Highway Investment Co., Ltd.	State-owned legal person	11.69	589,059,077	0	Nil
Mondrian Investment Partners Limited	Foreign legal person	2.19	110,350,000	0	Unknown
BlackRock, Inc.	Foreign legal person	2.15	108,482,084	0	Unknown
JPMorgan Chase & Co.	Foreign legal person	1.93	97,036,837	0	Unknown
Commonwealth Bank of Australia	Foreign legal person	1.52	76,467,930	0	Unknown
The Bank of New York Mellon Corporation	Foreign legal person	1.21	61,122,289	0	Unknown
Jiantou Zhongxin Asset Management Co., Ltd.	Others	0.42	21,410,000	0	Unknown
Essence Securities Co., Ltd.-client credit trading guarantee securities account	Others	0.28	13,858,977	0	Unknown
Shenyin & Wanguo Securities Co., Ltd.-client credit trading guarantee securities account	Others	0.27	13,405,067	0	Unknown

Illustration on the connected relationship or act-in-concert relationship with respect to the above shareholders

The Company is not aware of the existence of connected relationship or act-in-concert relationship with respect to the above shareholders.

## 2.3 The change of controlling shareholders and de facto controllers

Applicable     Not applicable

### III. MANAGEMENT DISCUSSION AND ANALYSIS

#### 3.1 Discussion and Analysis of the Board on the Operation of the Company during the Reporting Period

##### 1. *Business Overview*

During the Reporting Period, the Group realized total operating revenues of approximately RMB4,310,667,000, decreased by approximately 1.24% year-on-year, of which toll revenue amounted to approximately RMB3,128,641,000, representing an increase of 2.03% year-on-year; revenue from ancillary services amounted to approximately RMB927,516,000, representing a decrease of approximately 16.67% year-on-year; revenue from property sales amounted to approximately RMB229,220,000, representing an increase of approximately 40.67% year-on-year; and revenue from advertising and other non-core operations amounted to approximately RMB25,290,000, up by approximately 12.57% year-on-year. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB1,910,573,000 during the Reporting Period, representing an increase of approximately 16.04% year-on-year. Owing to the growth of the toll revenues and revenue from property sales, the income from investment contributed from each associate recorded relatively significant increase. After the completion of acquisition of Ningcheng Zhenli Company, and the transfer of its debts, its financial expenses were reduced, resulting in a turnaround starting from this year. The profit can be used to make up losses in the prior 5 years, which was eligible for recognizing deferred income tax assets. The one-off income tax reduction was approximately RMB309,961,000, which increased the profit after tax. As a result, the net profit attributable to shareholders of the Company was approximately RMB1,726,700,000, and earnings per share was approximately RMB0.3428, representing a year-on-year increase of approximately 46.18%; net profit attributable to shareholders of the Company after non-recurring profit or loss was approximately RMB1,463,750,000, representing a year-on-year increase of approximately 23.75%. The development and operating performance of each business are set out as follows.

## **2. Toll road and bridge operations**

During the Reporting Period, the Group recorded a toll revenue of approximately RMB3,128,641,000, representing an increase of approximately 2.03% year-on-year. Toll revenue accounted for approximately 72.58% of the Group's total operating income, representing an increase of approximately 2.33 percentage points year-on-year. Among the said revenue figure, toll revenue amounted to approximately RMB496,759,000 was contributed by the newly acquired Ning Chang Expressway, Zhenli Expressway, Xiyi Expressway, and Wuxi tollroad during the first half of the year. After deducting the four newly acquired items, during the first half of the year, the toll revenue of other road and bridge items accounted for a decrease of approximately 0.44%.

In terms of the operating performance of various items, in the first half of this year, the average daily traffic volume of Shanghai-Nanjing Expressway increased by approximately 7.47% year-on-year, among which the increase of passenger vehicles was approximately 11.37%, while the decrease of trucks was approximately 6.25%. Due to the rapid growth in passenger vehicle flow and the continuous decrease in truck flow, the proportion of passenger vehicle flow to truck flow were 77.55% to 22.45%, representing a decrease of 3.14 percentage points year-on-year. The western section of Shanghai-Nanjing Expressway was still subject to the diversion effect of Ningchang Expressway with a decrease of approximately 12.24% in truck flow, representing a slowdown in decrease as compared to the second half of 2014 (The western section of Shanghai-Nanjing Expressway recorded a decrease of approximately 16.38% in truck flow for the second half 2014.) Owing to the decline in the truck traffic volume, during the Reporting Period, the average daily toll revenue of Shanghai-Nanjing Expressway was approximately RMB12,161,380, with a year-on-year decrease of approximately 0.70%.

The traffic volume of Ningchang Expressway, the main bypass roads of west section of Shanghai-Nanjing Expressway, continued to maintain good growth momentum. In the first half of this year, the average daily traffic volume of Ningchang Expressway was approximately 26,785, representing a year-on-year growth of 48.43%, among which the average daily traffic volume of passenger vehicles was approximately 20,092, representing a year-on-year growth of approximately 55.39% while the average daily traffic volume of trucks was approximately 6,693, representing a year-on-year growth of approximately 30.86%. The performance of traffic volumes was better than expected. The total traffic volumes of Shanghai-Nanjing West Corridor comprising the west section of Shanghai-Nanjing Expressway and Ningchang Expressway recorded an increase of approximately 15.71%. After the completion of acquisition of Ningchang Expressway, the diversion effect on the western section of Shanghai-Nanjing Expressway has been offset effectively. The performance of traffic volumes of the other three newly acquired items, being Zhenli Expressway, Xiyi Expressway and Wuxi tollroad met the expectation. The scale efficiencies of the asset integration of the expressways within the region to the Group's major business are gradually brought out.

As for other roads and bridges including Guangjing Expressway, Xicheng Expressway, Jiangyin Bridge and Sujiahang Expressway, their traffic volumes continued to maintain a good growth trend. However, due to the slight decrease in the truck flow, the growth of toll revenue was lower than the growth in traffic volumes.

Both the traffic volume and the revenue of G312 decreased at different extents because of the diversion impact of the newly opened neighboring urban roads. Currently, the compensation work regarding the removal of the two stops is still under progress. Although the traffic volume of the Nanjing-Lianyungang Highway in the Reporting Period remained basically the same with the corresponding period of last year, the toll revenue decreased by 18.76% year-on-year because of the decrease in truck flow.



### **3. *Ancillary Services***

During the Reporting Period, the Company's revenue from ancillary services amounted to approximately RMB927,516,000, representing a year-on-year decrease of approximately 16.67%. In particular, the sales of petroleum products amounted to approximately RMB808,541,000, accounting for approximately 87.17% of the total revenue from ancillary services. The sales volume of oil products remained basically the same with the corresponding period of last year and the average profit margin level of oil products represented a slight year-on-year increase. However, due to the decrease in price of international crude oil, there was a continuous downward adjustment on the retail price of oil products, representing a relatively substantial decrease as compared to the average retail price for the corresponding period of last year, the year-on-year revenue of oil products decreased by approximately 19.19%. Revenue from other businesses including food and beverage, retail service and hindrance clearing services amounted to approximately RMB118,975,000, representing a year-on-year increase of approximately 5.72%.

### **4. *Real Estate Development and Sales Business***

During the Reporting Period, a total of 187 units from property projects have been pre-sold. The revenue from the pre-sale of property units amounted to approximately RMB170,995,000; 219 units were delivered while the carry-over revenue from sales of delivered units amounted to approximately RMB229,220,000, representing a year-on-year increase of approximately 40.67%. During the Reporting Period, the net profits of property business amounted to approximately RMB46,409,000. Owing to the relatively lower selling expenses and administrative expenses settled in the first half of this year, the profits from property business in the first half of this year was relatively satisfactory.

### **5. *Advertising and Other Businesses***

During the Reporting Period, the revenue from advertising and other businesses of the Group amounted to approximately RMB25,290,000, representing a year-on-year increase of approximately 12.57%. Among which, revenue from advertising business was approximately RMB22,026,000, representing a year-on-year increase of approximately 10.26%; revenue from property service fees and lease of commercial properties was approximately RMB3,264,000, representing a year-on-year increase of approximately 31.12%, which was mainly contributed by the rental income from the lease of commercial properties in Kunshan by Ninghu Investment, and the property management income from managing and operating a complex of residential properties delivered by Ninghu Properties.

### 3.2 Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: Renminbi

Item	Reporting	Corresponding	Change
	Period	period of the	
		previous year	
		(Restated)	
	RMB'000	RMB'000	%
Operating income	<b>4,310,667,008</b>	4,364,787,034	-1.24
Operating costs	<b>2,054,507,543</b>	2,239,985,465	-8.28
Selling expenses	<b>3,570,290</b>	7,557,685	-52.76
Administrative expenses	<b>93,752,731</b>	94,059,242	-0.33
Financial expenses	<b>406,453,703</b>	444,291,532	-8.52
Net cash flow from operating activities	<b>2,072,655,464</b>	1,994,672,975	3.91
Net cash flow from investing activities	<b>-1,382,844,231</b>	-100,657,226	1,273.82
Net cash flow from financing activities	<b>-750,800,210</b>	-1,629,955,098	-53.94

- 1) Explanation on the reason of change in selling expenses: During the Reporting Period, the commission and advertising fees of Ninghu Property, a subsidiary of the Company, decreased.
- 2) Explanation on the reason of change in financial expenses: As of the end of the Reporting Period, the Group's total interest-bearing borrowings amounted to approximately RMB13,850,000,000 and the financial expense amounted to approximately RMB406,454,000, representing a year-on-year decrease of approximately 8.52% mainly due to the year-on-year decrease in comprehensive costs for borrowings including bank loan, direct financing in the first half of 2015.
- 3) Explanation on the reason of change in net cash flow from investing activities: During the Reporting Period, the Company acquired Ningchang Zhenli Company for a total consideration of RMB502,000,000; Guangjiang Xicheng Company, a subsidiary of the Company, acquired Xiyi Company for a total consideration of RMB662,000,000, resulting in a relatively significant year-on-year increase in the net cash outflow from investing activities.
- 4) Explanation on the reason of change in net cash flow from financing activities: Due to the difference in the date of dividend distribution, during the Reporting Period, the Group's cash payments for distribution of dividends recorded year-on-year decrease, resulting in significant year-on-year decrease in the cash outflow from financing activities.

### 3.3 Principal operating activities by industries, by products

Unit: Yuan Currency: Renminbi

#### Principal operating activities

By industries	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue over the previous year (%)	Change in operating costs over the previous year (%)	Change in gross profit margin over the previous year (%)
<b>Toll roads</b>	<b>3,128,641,432</b>	<b>995,798,048</b>	<b>68.17</b>	<b>2.03</b>	<b>1.01</b>	<b>0.32</b>
Shanghai-Nanjing Expressway	2,201,209,034	521,545,486	76.31	-0.70	3.25	-0.90
G312	25,424,867	117,425,949	-361.85	-3.54	-12.95	49.90
Nanjing-Lianyungang Highway	12,984,405	7,749,710	40.32	-18.76	-5.59	-8.32
Guangjing Expressway and Xicheng Expressway	392,263,734	87,304,159	77.74	2.04	4.35	-0.50
Ningchang Expressway and Zhenli Expressway	365,882,294	194,792,912	46.76	25.31	2.12	12.09
Xiyi Expressway and Wuxi tollroad	130,877,098	66,979,832	48.82	-0.01	5.97	-2.89
<b>Ancillary Services</b>	<b>927,515,715</b>	<b>916,577,166</b>	<b>1.18</b>	<b>-16.67</b>	<b>-17.31</b>	<b>0.77</b>
<b>Property Sales</b>	<b>229,219,704</b>	<b>134,401,169</b>	<b>41.37</b>	<b>40.67</b>	<b>-3.18</b>	<b>26.55</b>
<b>Advertising and others</b>	<b>25,290,157</b>	<b>7,731,160</b>	<b>69.43</b>	<b>12.57</b>	<b>13.08</b>	<b>-0.14</b>
<b>Total</b>	<b>4,310,667,008</b>	<b>2,054,507,543</b>	<b>52.34</b>	<b>-1.24</b>	<b>-8.28</b>	<b>3.66</b>

Explanation on the principal operating activities by industries, by products:

- 1) During the Reporting Period, Ningchang Expressway, Zhenli Expressway and Xiyi Expressway became under the control of the Group. The increase in the number of toll road projects, and each toll road projects being subject to the changes in traffic volume, have resulted in changes in the year-on-year gross profit margin.
- 2) Ancillary services were subject to the downward adjustment on the price of oil products, resulting in decreases in both year-on-year operating revenue and operating costs, and therefore the gross profit margin level increased slightly compared to the corresponding period of last year.
- 3) During the Reporting Period, the major property units delivered were those of Tongcheng Guangming Jiezuo. Due to the relatively low land acquisition cost for the project, the gross profit margin from property business in this Reporting Period was higher than that of the corresponding period of last year.

### Components of costs:

*Unit: Yuan Currency: Renminbi*

Items of operating costs	Reporting Period	Percentage %	Corresponding period of the previous year	Percentage %	Year-on-year increase/decrease %	Explanation on changes
<b>Operating costs of the toll roads</b>	<b>995,798,048</b>	<b>48.47</b>	<b>985,852,360</b>	<b>44.00</b>	<b>1.01</b>	
Depreciation and amortization	650,616,652	31.67	669,478,926	29.89	-2.82	Primarily due to the relatively higher depreciation and amortization cost subject to the changes in accounting estimates, a year-on-year decrease for the Reporting Period is resulted.
Costs on toll collection operation	53,378,302	2.60	58,101,700	2.59	-8.13	Subject to the execution cycle of certain projects, a year on year decrease for the Reporting Period is resulted.
Costs on roads and bridges maintenance	59,085,374	2.87	35,038,513	1.56	68.63	Due to normal wear and tear of roads, number of maintenance projects of highways increased in the Reporting Period. As a result, costs on roads and bridges maintenance also increased.

Items of operating costs	Reporting Period	Percentage %	Corresponding period of the previous year	Percentage %	Year-on-year increase/decrease %	Explanation on changes
Costs on system maintenance	12,058,513	0.59	14,160,346	0.63	-14.84	Subject to the execution cycle for the maintenance of systems such as communication, toll, monitoring and so forth, and costs on system maintenance recorded a year-on-year decrease in the Reporting Period.
Labour costs	220,659,207	10.74	209,072,875	9.33	5.54	Labour costs of toll road operations recorded a year-on-year increase due to the rigid growth in labour cost.
<b>Costs on ancillary businesses</b>	<b>916,577,166</b>	<b>44.61</b>	<b>1,108,487,581</b>	<b>49.49</b>	<b>-17.31</b>	
Raw materials	811,346,802	39.49	1,009,943,716	45.09	-19.66	The price of oil products decreased, resulting in a year-on-year decrease in raw material costs in costs on ancillary business.
Depreciation and amortization	13,723,601	0.67	14,021,967	0.63	-2.13	Due to the relatively higher depreciation and amortization cost subject to the changes in accounting estimates, a year-on-year decrease for the Reporting Period is resulted
Labor costs	74,800,454	3.64	69,384,546	3.10	7.81	Labour costs of ancillary businesses recorded a year-on-year increase due to the rigid growth in labour cost.
Other costs	16,706,309	0.81	15,137,352	0.67	10.36	Other costs of ancillary businesses recorded a year-on-year increase due to reasons such as rating of service areas.
<b>Costs on property sales business</b>	<b>134,401,169</b>	<b>6.54</b>	<b>138,808,764</b>	<b>6.20</b>	<b>-3.18</b>	Since the gross profit margin of deliveries of property projects in the Reporting Period was higher than that of the corresponding period of the previous year, costs on property sales business recorded a year-on-year decrease.
<b>Costs on advertising and other business</b>	<b>7,731,160</b>	<b>0.38</b>	<b>6,836,760</b>	<b>0.31</b>	<b>13.08</b>	Primarily due to the increase in management and operation costs of the delivered complex of residential properties by Ninghu Properties.
Total	<u>2,054,507,543</u>	<u>100</u>	<u>2,239,985,465</u>	<u>100</u>	<u>-8.28</u>	

### 3.4 Operating Activities by Geographical Areas

*Unit: Yuan Currency: Renminbi*

<b>Geographical area</b>	<b>Operating revenue</b>	<b>Year-on-year increase/decrease (%)</b>
Jiangsu Province	4,310,667,008	-1.24

### 3.5 Analysis of Investment

#### *3.5.1 Progress of project investment*

During the Reporting Period, the foreign equity investment of the Group amounted to approximately RMB1,236,954,000. The specific items include: the acquisition of 100% equity interest in Ningchang Zhenli Company for a total consideration of RMB502,000,000 by the Group; the acquisition of Xiyi Company for a cash consideration of RMB662,000,000 by Guangjing Xicheng Company, a subsidiary; establishment of the joint venture Hanwei Company with capital contribution of RMB70,000,000; and additional investment in Jiangsu GCL Gas for RMB2,954,000.

### 3.5.2 The Company's interests in financial institutions

Applicable       Not applicable

Name	Initial Investment Amount RMB'000	Number of shares held	% of shareholding	Book value	Gain/(Loss)	Changes in equity	Accounting item	Sources of shares
		as at the end of the Reporting Period	at the end of the Reporting Period	as at the end of the Reporting Period	during the Reporting Period	during the Reporting Period		
				RMB'000	RMB'000	RMB'000		
Luode	5,850	11,700,000	39%	7,992	-52	-52	Long-term equity investment	Establishment
Bank of Jiangsu	1,000,000	200,000,000	1.92%	1,000,000	16,000	16,000	Available-for-sale financial assets	Capital increase and share expansion
Jiangsu Leasing	234,000	234,000,000	9.97%	270,898	23,888	23,888	Available-for-sale financial assets	Establishment

### 3.5.3 Other arrangement and investment in derivatives

Applicable       Not applicable

Type of investment	Source of capital	Signatory	Investment Share (RMB)	Term	Product type	Expected revenue	Gains/ losses	Involvement in litigations (if any)
Wealth management products issued by banks	Own capital	Commercial banks	171,800,000	Within 3 months	Principal guaranteed wealth management products issued by banks	-	-	No
Fuanda Advantageous Growth Foundation	Own capital	Fuanda Funds	9,999,400	Long-term	Funds	-	13,862,169	No
Precious metals - Gold	Own capital	Shanghai Gold Exchange	15,710,238	Long-term	Precious metals	-	-1,589,280	No



### 3.5.4 Analysis of major subsidiaries and associates

#### 1. Operations of Major Subsidiaries

Name of company	Principal business	Investment Cost RMB'000	Equity interest attributable to the Company %	Total Assets RMB'000	Net asset RMB'000	Net profit RMB'000	Percentage over the Company's net profit %	Year-on-year increase/decrease in net profit %
Guangjing Xicheng Company	Construction, management, maintenance and toll collection etc. of expressways	2,125,000	85	6,399,142	3,286,534	301,104	16.99	6.12
Ningchang Zhenli Company	Construction, management, maintenance and toll collection etc. of expressways	10,688,850	100	7,819,776	7,727,738	240,092	13.55	-
Ninghu Investment	Investments in various infrastructure, industries and assets	110,100	100	310,885	288,694	36,714	2.07	219.27
Ninghu Properties	Development, operation and consultancy of real estate	500,000	100	3,543,714	584,232	46,409	2.62	-

## 2. Operations of Key Associates

During the Reporting Period, the profit of some associates in which the Group had a participating interest increased. As a result, the investment income of the Group amounted to approximately RMB276,782,000, representing a year-on-year increase of approximately 43.87%, which accounted for approximately 15.62% of the Group's net profit. The associates contributed an investment revenue of RMB197,407,000, representing a year-on-year increase of approximately 16.52%. This was primarily attributable to the increase in toll revenue brought by the increased traffic volumes of each item, and the decrease in financial expenses. A significant year-on-year increase in the growth of net profit was recorded in the Reporting Period. Operating results of some key associates are set out below:

Company name	Principal business	Investment cost RMB'000	Net profit Equity attributable interest to the attributable shareholders		Investment income contribution RMB'000	Percentage over the Company's net profit %	Year-on- year change %
			to the Company %	of the associates RMB'000			
Sujiahang Company	Management and operation of the Jiangsu Section of Sujiahang Expressway	526,091	33.33	217,731	72,57	4.10	17.47
Yangtze Bridge Company	Mainly engaged in the management and operation of Jiangyin Yangtze Bridge	631,159	26.66	196,957	52,509	2.96	14.96
Yanjiang Company	Mainly engaged in the management and operation of Yanjiang Expressway	1,466,200	29.81	233,609	75,362	4.25	15.47

### **3.6 Explanation on the material changes on structures of the Company's component of profit or sources of profit**

According to the 17th meeting of the 7th session of the Board of Directors on 30 December 2014, the Company has agreed to acquire all equity interest in Ningchang Zhenli Company, transfer all the debts of Ningchang Zhenli Company to the Company and capitalize such debts into equity; and approved Guangjing Xicheng Company, the Company's subsidiary, to acquire all equity interest in Xiyi Company and the acquisition and merger of Xiyi Company. The above transactions were approved by the shareholders on 12 March 2015. On 30 April 2015, the Company completed the merger and acquisition of Xiyi Company; and on 31 May 2015, the Company completed the acquisition of Ningchang Zhenli Company.

As the Company, Ningchang Zhenli Company and Xiyi Company were ultimately controlled by Communications Holding before and after the transactions, the above transactions were seen as a business combination under common control which is accounted for using the accounting treatment of business combinations under common control, and restated for the opening balance and the balance of the corresponding period of the previous year in the financial statement. Meanwhile, after the completion of acquisition of Ningchang Zhenli Company, and transfer of the debts, the financial expenses were reduced, resulting in a turnaround starting from this year. The profit can be used to make up losses in prior 5 years, which was eligible for recognizing deferred income tax assets. The one-off income tax reduction was approximately RMB309,961,000, which increased the profit after tax. As a result, during the Reporting Period, there were changes in the sources of profit of the Company.

## 3.7 Outlook and Plans

### 1. *Analysis of Operating Environment*

In the second half of this year, the economy of China started stably and the “steady-growth policy (「穩增長」)” will pay more attention to efficiency. The overall macroeconomic environment in the second half of the year is expected to maintain the stable and improved momentum as in the first half of the year. The external business environment of the Group’s major business of the toll road is expected to continue to be stable. Meanwhile, in July, the consultation draft of “Regulation on the Administration of Toll Roads” was reissued by the Ministry of Transportation (《收費公路管理條例》), which further amended and supplemented based on the opinions sought in 2013, and had positive significance for the long term healthy development of the toll road industry. However, the issue of final terms still carries uncertainties.

In the second half of the year, as the diversion impact on Ningchang Expressway is becoming stable, the truck flow of Shanghai-Nanjing Expressway is expected to recover. Meanwhile, with the acquisition of equity interest of Ningchang Zhenli Company and Xiyi Company, the economies of scale brought by the new projects to the Group’s major operating business are gradually shown. Therefore, the Company expects the overall future business environment will be positive.

### 2. *Highlights of Work in the Second Half of This Year*

Taking into account the overall business environment in the second half of the year, the Group will focus on the following business development priorities to ensure the fulfillment of the year-round profit target and prepare for future strategic development:

- (1) **To plan for the Group’s “Thirteenth Five-Year” Development Strategy.** The Group will conduct an in-depth analysis of the Group’s internal and external environment changes and core competitiveness after the economic development of China shifted to the new normal, study the core business development and expressway industrial chain extension under the reform of State-owned enterprises and the rapid development of infrastructure franchise operation and mobile internet, re-examine the Group’s strategic positioning and strategic direction, plan for the formulation of suitable “Thirteenth Five-Year” strategic measures, and thereby guide the Group’s new reform and development.

- (2) **To steadily facilitate the balanced development of the Group's diversified business.** The Group will speed up the development and sales of real estate projects and will continuously enhance the profit contribution of property business. The Group will also continue to focus on the investment opportunities of relevant areas and explore an appropriate multi-industry investment pattern that aligns with the Company's strategy.
- (3) **To develop financing innovation and ensure fund needs.** The Group will pay close attention to any change in the fiscal policy and financing environment, strengthen the application of the direct financing tool within the capital market, continue to explore financing channels, reduce the reliance on bank loans, and will provide sufficient capital protection for the sake of the Group's strategic development. It will also actively use the contemporary financing derivative tools, optimize the structure of interest-bearing obligation, implement reasonable restructuring for the new debts as a result of project acquisition, effectively reduce the cost of financing and give full play to the financial synergic effect.
- (4) **To facilitate the design and development of phase II of informatized construction projects.** On the basis of the implementation of the phase I digitalization and informatization of the operation and management of expressways, the Group will strengthen the optimization of each hardware and software platforms and comprehensiveness of systems. The Group will make the best effort on the design, development and construction of the phase II integrated management system, optimise the management procedures and will strengthen the Company's internal control and strategic support.

#### **IV. PROFIT DISTRIBUTION AND ITS IMPLEMENTATION**

##### **4.1 Execution or Adjustments of profit distribution scheme implemented in the Reporting Period**

As approved at the 2014 annual general meeting, the Company distributed a cash dividend of RMB0.38 (tax inclusive) per share to all shareholders on the basis of a total of 5,037,747,500 shares in issue at the end of 2014, representing a payout ratio of 74.35%. Such profit distribution scheme was implemented on 10 July 2015.

#### **4.2 Profit Distribution Plan or Plan to Convert Surplus Reserves into Share Capital proposed for this interim period**

Whether make profit distribution or convert surplus reserves into share capital	No
Number of bonus share for each share ( <i>share</i> )	0
Amount of cash dividend for each share ( <i>Yuan</i> ) ( <i>including tax</i> )	0
Number of shares converted for each share ( <i>share</i> )	0

#### **Relevant Explanation on Profit Distribution Plan or Plan to Convert Surplus Reserves into Share**

The Board of the Company has recommended not to distribute profits for the six months ended 30 June 2015 (for the corresponding period in 2014: nil), and did not have any proposal to convert surplus reserves into share capital.

### **V. OTHER SIGNIFICANT MATTERS**

- 5.1** Purchase, Sale and Redemption of Shares of the Company: For the six months ended 30 June 2015, there was no purchase, sale or redemption of any of the Company's listed shares by the Company or any of its subsidiaries.
- 5.2** Pre-emption Rights: In accordance with the laws of the PRC and the Company's Articles of Association, the Company did not grant any pre-emption rights pursuant to which the Company would be required to offer new shares to the existing shareholders in proportion to their shareholdings.
- 5.3** Public Float: As at 30 June 2015 and the disclosure date of this announcement, the Company had complied with the 25% public float requirement under the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").
- 5.4** Compliance with the Corporate Governance Code: As at the publishing date of this announcement, the Board, having reviewed the day-to-day governance practices of the Company according to the Corporate Governance Code, was of the opinion that the Company fully adopted all code provisions in the Corporate Governance Code of the Hong Kong Listing Rules and strove to comply with the recommended best practices and that no deviation or breach was found.

- 5.5** Compliance with the Model Code for Securities Transactions by Directors: Having made specific enquiries to all the directors of the Company, the directors of the Company have fully complied with the provisions on securities transactions under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Hong Kong Listing Rules during the Reporting Period. The Company has also formulated the “Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees”, the relevant requirements in which are no less exacting than the required standard set out in Appendix 10 of the Hong Kong Listing Rules, to ensure the relevant personnel’s compliance with the code in carrying out securities transactions.
- 5.6** The Company has appointed sufficient number of independent non-executive directors. Mr. Zhang Erzhen, Mr. Ge Yang, Mr. Zhang Zhu Ting and Chen Liang were appointed as independent non-executive directors of the Eighth session of the Board of the Company, accounting for more than one-third of the members of the Board. Four independent non-executive directors are currently serving at renowned universities in the PRC and are senior experts in the fields of economic management and real estate studies, industry policies and regulations, financial accounting and are well-versed with academic theories and management experience. Independent directors were appointed as members of various committees of the Board. Independent non-executive directors accounted for a majority in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and an independent non-executive director acted as the Chairman at each of these committees.

## **VI. FINANCIAL REPORT**

The relevant financial information is prepared on basis of the PRC Accounting Standards for Business Enterprises and is unaudited. The Audit Committee of the Board had reviewed the interim financial report of the Company for the six months ended 30 June 2015 and had sufficient communication with the Company’s management in the course of discharging their duties and proposed to the Board for the approval of the publication of the interim financial report for the six months ended 30 June 2015.

## 6.1 Financial statements

### 1. CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2015

Unit: Yuan Currency: Renminbi

Item	Closing balance	Opening balance (Restated)	Item	Closing balance	Opening balance (Restated)
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and bank balances	676,472,926	726,415,172	Short-term borrowings	7,980,000,000	6,005,000,000
Financial assets at fair value through profit or loss	37,982,527	38,951,822	Accounts payable	706,142,446	767,569,197
Notes receivable	1,272,169	2,518,000	Receipts in advance	315,965,031	375,468,301
Accountants receivable (7)	123,724,541	117,813,088	Employee benefits payable	4,956,850	5,624,993
Prepayments (7)	30,127,549	266,879,166	Taxes payable	110,261,833	102,377,617
Interest receivable	6,466,667	-	Interest payable	96,531,814	163,805,922
Other current assets	33,481,743	4,989,960	Dividends payable	2,059,273,070	68,678,625
Other receivables	1,155,037,053	1,224,608,058	Other payables	93,053,460	58,896,322
Inventories	3,208,812,431	3,091,938,748	Non-current liabilities due within one year	26,514,712	1,029,826,457
Other current assets	189,296,779	231,636,482	Other current liabilities	-	500,000,000
Total Current Assets	5,462,674,385	5,705,750,496	Total Current liabilities	11,392,699,216	9,077,247,434



*Unit: Yuan Currency: Renminbi*

Item	Closing balance	Opening balance (Restated)	Item	Closing balance	Opening balance (Restated)
<b>Non-current Assets:</b>			<b>Non-current Liabilities:</b>		
Available-for-sale financial assets	1,293,818,457	1,313,185,957	Long-term borrowings	5,348,433,898	6,172,708,646
Long-term equity investment	4,340,858,394	4,174,591,269	Bonds payable	495,309,658	494,603,286
Investment properties	33,603,724	34,284,836	Deferred tax liabilities	12,673,044	1,275,048
Fixed assets	1,706,128,539	1,802,660,953	Deferred income	35,572,585	36,199,929
Construction in progress	578,974,849	258,800,371			
Intangible assets	23,564,113,824	24,136,118,565			
Long-term prepaid expenses	6,436,417	6,418,189	<b>Total Non-current liabilities</b>	<b>5,891,989,185</b>	<b>6,704,786,909</b>
Deferred tax assets	368,637,221	49,806,472	<b>TOTAL LIABILITIES</b>	<b>17,284,688,401</b>	<b>15,782,034,343</b>
Other non-current assets	300,000,000	-	<b>Shareholders' Equity:</b>		
			Share capital	5,037,747,500	5,037,747,500
			Capital reserve	10,446,662,340	11,511,362,341
			Other comprehensive income	164,503,146	188,889,048
			Surplus reserve	2,927,043,693	2,927,043,693
			Retained profits	1,163,293,195	1,350,937,480
<b>Total Non-current Assets</b>	<b>32,192,571,425</b>	<b>31,775,866,612</b>	<b>Total shareholders' equity attributable to equity holders of the Company</b>	<b>19,739,249,874</b>	<b>21,015,980,062</b>
			Minority interests	631,307,535	683,602,703
			<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,370,557,409</b>	<b>21,699,582,765</b>
<b>TOTAL ASSETS</b>	<b>37,655,245,810</b>	<b>37,481,617,108</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS'</b>	<b>37,655,245,810</b>	<b>37,481,617,108</b>

*Legal Representative of  
the Company:*

**Qian Yong Xiang**

*The accounting  
chief:*

**Yu Lan Ying**

*The person-in-charge of  
the accounting institution:*

**Ren Zhuo Hua**

## 2. Consolidated Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2015

Unit: Yuan Currency: Renminbi

Item	Amount for the current period	Amount for the corresponding period in the prior year (Restated)
<b>I. Total operating income</b>	<b>4,310,667,008</b>	4,364,787,034
Including: Operating income	(1) <b>4,310,667,008</b>	4,364,787,034
Less: operating costs	<b>2,688,176,595</b>	2,913,014,828
Including: Operating costs	<b>2,054,507,543</b>	2,239,985,465
Business taxes and levies	<b>129,791,810</b>	127,120,904
Selling expenses	<b>3,570,290</b>	7,557,685
Administrative expenses	<b>93,752,731</b>	94,059,242
Financial expenses	(2) <b>406,453,703</b>	444,291,532
Impairment losses of assets	<b>100,518</b>	–
Add: Gains from changes in fair values	<b>11,300,937</b>	2,383,650
Investment income	(3) <b>276,781,668</b>	192,383,746
Including: Income from investments in associates and joint ventures	<b>197,407,194</b>	169,417,396
<b>II. Operating profit</b>	<b>1,910,573,018</b>	1,646,539,602
Add: Non-operating income	<b>4,287,774</b>	3,937,442
Including: Income from disposal of non-current assets	<b>48,000</b>	103,074
Less: Non-operating expenses	<b>12,794,618</b>	11,631,946
Including: Losses from disposal of non-current assets	<b>679,889</b>	899,218
<b>III. Total profit</b>	<b>1,902,066,174</b>	1,638,845,098
Less: Income tax expenses	(4) <b>130,231,182</b>	415,096,645
<b>IV. Net profit</b>	<b>1,771,834,992</b>	1,223,748,453
Including: Net profit attributable to owners of the Company	<b>1,726,699,765</b>	1,181,186,740
Profit or loss attributable to minority interests	<b>45,135,227</b>	42,561,713

Unit: Yuan Currency: Renminbi

Item	Amount for the current period	Amount for the corresponding period in the prior year (Restated)
<b>V. Other comprehensive income, net of tax</b>	<b>-24,385,902</b>	-27,769,719
Other comprehensive income attributable to owners of the Company, net of tax	<b>-24,385,902</b>	-27,769,719
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
(II) Other comprehensive income that will be reclassified subsequently to profit or loss	<b>-24,385,902</b>	-27,769,719
1. Share of gains on available-for- sale financial assets of associates	<b>-24,385,902</b>	-27,769,719
Items that will not be reclassified to profit or loss:	-	-
<b>VI. Total comprehensive income</b>	<b>1,747,449,090</b>	1,195,978,734
Total comprehensive income attributable to owners of the Company	<b>1,702,313,863</b>	1,153,417,021
Total comprehensive income attributable to minority interests	<b>45,135,227</b>	42,561,713
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share	(5) <b>0.3428</b>	0.2345
(II) Diluted earnings per share	N/A	N/A

*Legal Representative of  
the Company:*  
**Qian Yong Xiang**

*The accounting  
chief:*  
**Yu Lan Ying**

*The person-in-charge of  
the accounting institution:*  
**Ren Zhuo Hua**

### 3. Consolidated Cash Flow Statement

#### FOR THE HALF YEAR ENDED 30 JUNE 2015

Unit: Yuan Currency: Renminbi

Item	Amount for the current period	Amount for the corresponding period in the prior year (Restated)
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	4,741,367,410	4,475,116,138
Other cash receipts relating to operating activities	27,588,114	22,253,412
Sub-total of cash inflows from operating activities	4,768,955,524	4,497,369,550
Cash payments for goods purchased and services received	1,740,940,262	1,519,224,800
Cash payments to and on behalf of employees	325,540,318	301,412,309
Payments of various types of taxes	589,581,873	641,130,894
Other cash payments relating to operating activities	40,237,607	40,928,572
Sub-total of cash outflows from operating activities	2,696,300,060	2,502,696,575
<b>Net Cash Flow from Operating Activities</b>	<b>2,072,655,464</b>	<b>1,994,672,975</b>

Unit: Yuan Currency: Renminbi

Item	Amount for the current period	Amount for the corresponding period in the prior year (Restated)
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	<b>551,374,236</b>	1,371,020,495
Cash receipts from investment income	<b>157,907,177</b>	90,777,078
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	<b>74,055,040</b>	10,196,754
Sub-total of cash inflows from investing activities	<b>783,336,453</b>	1,471,994,327
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>363,626,784</b>	184,893,874
Cash payments to acquire investments	<b>1,752,553,900</b>	1,387,757,679
Other cash payments relating to investing activities	<b>50,000,000</b>	–
Sub-total of cash outflows from investing activities	<b>2,166,180,684</b>	1,572,651,553
<b>Net Cash Flow used in Investing Activities</b>	<b><u>-1,382,844,231</u></b>	<b><u>-100,657,226</u></b>

Unit: Yuan Currency: Renminbi

Item	Amount for the current period	Amount for the corresponding period in the prior year (Restated)
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	81,120,000	–
Including: cash receipts from capital contributions from minority owners of subsidiaries	81,120,000	–
Cash receipts from borrowings	4,696,000,000	3,115,000,000
Cash receipts from issue of bonds	1,397,532,000	1,196,100,000
Other cash receipts relating to financing activities	–	–
Sub-total of cash inflows from financing activities	6,174,652,000	4,311,100,000
Cash repayments of borrowings	6,450,451,746	3,661,634,037
Cash payments for distribution of dividends or profits or settlement of interest expenses	474,106,883	2,273,486,575
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	–	–
Other cash payments relating to financing activities	893,581	5,934,486
Sub-total of cash outflows from financing activities	6,925,452,210	5,941,055,098
<b>Net Cash Flow used in Financing Activities</b>	<b>-750,800,210</b>	<b>-1,629,955,098</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>–</b>	<b>–</b>
<b>V. Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>-60,988,977</b>	<b>264,060,651</b>
Add: Opening balance of Cash and Cash Equivalents	708,621,647	523,544,443
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	<b>647,632,670</b>	<b>787,605,094</b>

The accompanying notes form part of the financial statements.

<i>Legal Representative:</i> <b>Qian Yong Xiang</b>	<i>Person in Charge of the Accounting Body:</i> <b>Ren Zhuo Hua</b>	<i>Chief Accountant:</i> <b>Yu Lan Ying</b>
--------------------------------------------------------	----------------------------------------------------------------------------	------------------------------------------------

## 6.2. Notes to the financial statements

### 1. Operating income and operating costs

#### (1) Operating income and costs

*Unit: Yuan Currency: Renminbi*

Item	Amount recognized in the current period		Amount recognized in the corresponding period in the prior year (Restated)	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	4,056,157,147	1,912,375,214	4,179,367,408	2,094,339,940
Including: Shanghai-Nanjing Expressway	2,201,209,034	521,545,486	2,216,708,705	505,139,425
G312	25,424,867	117,425,949	26,358,501	134,889,010
Nanjing-Lianyungang Highway	12,984,405	7,749,710	15,982,803	8,208,654
Ningchang Expressway and Zhenli Expressway	365,882,294	194,792,912	291,980,392	190,740,147
Guangjing Expressway and Xicheng Expressway	392,263,734	87,304,159	384,418,304	83,666,108
Xiyi Expressway and Wuxi tollroad	130,877,098	66,979,832	130,892,956	63,209,015
Ancillary services	927,515,715	916,577,166	1,113,025,747	1,108,487,581
Real estate development	229,219,704	134,401,169	162,952,953	138,808,764
Advertising and others	25,290,157	7,731,160	22,466,673	6,836,761
Total	<u>4,310,667,008</u>	<u>2,054,507,543</u>	<u>4,364,787,034</u>	<u>2,239,985,465</u>

(2) *Principal business (by geographical location): The operating activities of the Group are located within the Jiangsu Province.*

**2. Financial expenses**

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Amount incurred in the current period</b>	Amount incurred in the corresponding period in the prior year (Restated)
Interest of bond	<b>164,517,641</b>	156,909,098
Interest of bank loans	<b>239,653,548</b>	282,179,703
Include: Interest on bank loans		
within 5 years	<b>15,781,826</b>	20,271,446
Total interest expenses	<b>404,171,189</b>	439,088,801
Less: Interest income	<b>3,719,738</b>	3,591,382
Exchange differences	<b>-5,140</b>	4,030,747
Bond issue fee and other loan charges	<b>5,234,278</b>	4,215,800
Others	<b>773,114</b>	547,566
	<hr/>	<hr/>
Total	<b><u>406,453,703</u></b>	<b><u>444,291,532</u></b>



### 3. *Investment income*

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Amount incurred in the current period</b>	Amount incurred in the corresponding period in the prior year (Restated)
Income from long-term equity investments under equity method	<b>197,407,194</b>	169,417,396
Losses on disposal of FVTPL	<b>19,509,768</b>	–
Investment income from available- for-sale financial assets in the holding period	<b>39,887,735</b>	19,797,063
Investment income from disposal of available-for-sale financial assets	<b>4,392,653</b>	3,169,287
Other investment income	<b>15,584,318</b>	–
Total	<b><u>276,781,668</u></b>	<b><u>192,383,746</u></b>

### 4. *Income tax expenses*

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Amount incurred in the current period</b>	Amount incurred in the corresponding period in the prior year
Current tax expenses	<b>437,663,936</b>	423,233,619
Deferred tax expenses	<b>-307,432,754</b>	-13,860,232
Provision of prior years' tax	–	5,723,258
Total	<b><u>130,231,182</u></b>	<b><u>415,096,645</u></b>

5. *Return on net assets and earnings per share (“EPS”)*

The return on net assets and EPS have been prepared by the Company in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

<b>Profit for the Reporting Period</b>	<b>Weighted average return on net assets (%)</b>	<b>EPS</b>	
		<b>Basic EPS</b>	<b>Diluted EPS</b>
		<i>(RMB)</i>	
Net profit attributable to ordinary shareholders of the Company	7.96%	0.3428	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	6.75%	0.2906	N/A

Dividends per share: In the Reporting Period, the Board of the Company has recommended not to distribute profits for the six months ended 30 June 2015 (for the corresponding period in 2014: nil), and did not have any proposal to convert surplus reserves into share capital.

6. *Supplementary information of income statement*

Unit: Yuan Currency: Renminbi

Item	Amount incurred in the current period	Amount incurred in the corresponding period in the prior year (Restated)
Employee benefits	331,996,231	310,771,432
Depreciation and amortization	704,873,754	723,964,364
Toll related expenses	53,378,302	58,101,700
Road maintenance expenses	59,085,374	35,038,513
System maintenance expenses	12,058,513	14,160,346
Real estate development land and construction cost	134,401,169	138,808,764
Petroleum in the service zone	766,948,115	964,753,856
Retail goods in the service zone	44,398,687	45,189,860
Audit fee	1,556,900	726,150
Consulting and intermediary service fee	4,410,604	4,722,024
Properties tax and other taxes	15,306,026	10,115,878
Commission fee for agent of real estate sales	253,747	2,435,321
Advertisement fee	2,519,837	5,257,634
Others	20,643,305	27,556,550
Total	<u><u>2,151,830,564</u></u>	<u><u>2,341,602,392</u></u>

## 7. Aging analysis of accounts receivable and payable

### (1) The aging analysis of accounts receivable:

Unit: Yuan Currency: Renminbi

Aging	Closing balance			Opening balance (Restated)		
	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Carrying amount
Within 1 year	123,135,568	99	261,017	117,172,791	99	209,693
1-2 years	-	-	-	-	-	-
2-3 years	1,699,980	1	849,990	1,699,980	1	849,990
Over 3 years	-	-	-	-	-	-
<b>Total</b>	<b>124,835,548</b>	<b>100</b>	<b>1,111,007</b>	<b>118,872,771</b>	<b>100</b>	<b>1,059,683</b>

### (2) The aging analysis of prepayments is as follows:

Unit: Yuan Currency: Renminbi

Aging	Closing balance		Opening balance (Restated)	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	29,440,049	98	266,852,881	100
1-2 years	687,500	2	24,285	-
2-3 years	-	-	2,000	-
<b>Total</b>	<b>30,127,549</b>	<b>100</b>	<b>266,879,166</b>	<b>100</b>

(3) *Disclosure of other receivables by nature:*

*Unit: Yuan Currency: Renminbi*

<b>Nature</b>	<b>Closing balance</b>	<b>Opening balance</b>
Receivables from disposal of network points of G312	<b>1,124,177,798</b>	1,124,177,798
Amount of the disposal of Zhenjiang branch line	–	74,033,640
Amount of investment clearance	<b>15,812,140</b>	15,812,140
Pre-borrowings for projects	<b>3,000,000</b>	5,000,000
Petty cash	<b>5,856,276</b>	5,225,300
Landlord maintenance funds	<b>3,932,421</b>	3,507,153
Construction warranty fund	<b>1,600,000</b>	1,600,000
Compensation income from damaged road	<b>2,113,317</b>	1,947,722
Other miscellaneous receivables	<b>14,556,367</b>	9,266,376
<b>Total</b>	<b><u>1,171,048,319</u></b>	<b><u>1,240,570,129</u></b>

(4) *Aging analysis of accounts payable is as follows:*

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance (Restated)</b>
Within 1 year	<b>603,449,313</b>	712,208,076
1-2 years	<b>64,525,157</b>	32,552,607
2-3 years	<b>16,884,471</b>	378,600
Over 3 years	<b>21,283,505</b>	22,429,914
<b>Total</b>	<b><u>706,142,446</u></b>	<b><u>767,569,197</u></b>

Disclosure of accounts payable:

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance (Restated)</b>
Construction payable	<b>145,154,510</b>	225,940,775
Construction payable for real estate project	<b>477,984,675</b>	419,373,209
Purchase of petroleum payable	–	16,303,907
Toll road fee payable	<b>34,516,442</b>	56,534,733
Deposit payable	<b>18,840,973</b>	7,782,886
Others	<b>29,645,846</b>	41,633,687
<b>Total</b>	<b><u>706,142,446</u></b>	<b><u>767,569,197</u></b>

(5) The aging analysis of receipts in advance is as follows:

*Unit: Yuan Currency: Renminbi*

<b>Aging</b>	<b>Closing balance</b>		<b>Opening balance (Restated)</b>	
		<b>%</b>		<b>%</b>
Within 1 year	<b>293,704,031</b>	<b>93</b>	131,133,997	35
1-2 years	<b>22,181,000</b>	<b>7</b>	244,254,304	65
2-3 years	–	–	–	–
Over 3 years	<b>80,000</b>	–	80,000	–
<b>Total</b>	<b><u>315,965,031</u></b>	<b><u>100</u></b>	<b><u>375,468,301</u></b>	<b><u>100</u></b>

(6) *Details of other payables are as follows:*

*Unit: Yuan Currency: Renminbi*

<b>Item</b>	<b>Closing balance</b>	Opening balance (Restated)
G312 toll road operation right acquisition costs payable	<b>10,000,000</b>	10,000,000
Construction quality warranty fee payable	<b>5,206,510</b>	2,417,038
Payable of daily procurement in service areas	<b>315,897</b>	9,430,354
Amount of ETC prepaid cards collected on behalf of the inter-network settlement center	<b>2,371,150</b>	11,413,235
Amount of the noise barrier construction projects collected on other's behalf	<b>631,565</b>	631,565
Earnest money of acquisition of properties	<b>2,653,004</b>	2,322,195
Service charge	<b>3,523,445</b>	4,550,000
Fee for the overall development of the expressway	<b>46,394,539</b>	9,106,699
Others	<b>21,957,350</b>	9,025,236
Total	<b><u>93,053,460</u></b>	<b><u>58,896,322</u></b>

**8. *Net current assets (liabilities)/Total assets less current liabilities***

*Unit: Yuan Currency: Renminbi*

	<b>Closing balance</b>	Opening balance (Restated)
Current assets	<b>5,462,674,385</b>	5,705,750,496
Total assets	<b>37,655,245,810</b>	37,481,617,108
Less: current liabilities	<b>11,392,699,216</b>	9,077,247,434
Net current liabilities	<b><u>(5,930,024,831)</u></b>	<b><u>(3,371,496,938)</u></b>
Total assets less current liabilities	<b><u>26,262,546,594</u></b>	<b><u>28,404,369,674</u></b>

## **9. Credit Policy**

In order to minimize the credit risk, the Group has controlled credit limits, undertaken credit approvals and executed other monitoring procedures to ensure that necessary follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of its receivables at each balance sheet date to ensure that adequate provisions are made for bad debts. In this regard, the management of provisions the Group considers that the Group's credit risk was low.

## **10. Contingencies**

Ninghu Properties, a subsidiary of the Company, provided several guarantees to banks for bank borrowings granted to buyers of properties of Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion, Huaqiao Urban Core B4 Tongcheng Guangming Jiezuo Project, Huaqiao Urban Core B19 Guangmingxinzuo Project and Baohua Hongyan Community Land B Phase 1 and Phase 2 Tongcheng Shijia Project. The guarantee obligation will commence from the date on which the guarantee contract comes into effect and will cease when the buyers complete registration of mortgage and submit the third party property rights certificates to banks. As at 30 June 2015, the outstanding guarantees amounted to approximately RMB217,914,000 (31 December 2014: RMB175,803,000).



## ***11. Pledge of assets***

The Company entered into a debt transfer agreement with Ningchang Zhenli Company and the relevant bank on 15 June 2015 and agreed that the outstanding part of the pledged borrowings made by Ningchang Zhenli Company with China Development Bank Jiangsu Branch and Bank of China (Jiangsu Branch) will be undertaken by the Company from the date of execution of the agreement. The original borrowing amount obtained from China Development Bank Jiangsu Branch was RMB1,700,000,000 for the investments in the Nanjing-Changzhou Expressway project. The aforesaid borrowing was obtained through pledging the toll collection right of Nanjing-Changzhou Expressway. As at the end of the Reporting Period, RMB550,000,000 has been repaid in aggregate and the balance of the borrowing amounted to RMB1,150,000,000. The original borrowing amount obtained from Bank of China (Jiangsu Branch) was RMB1,100,000,000 for the investments in the Zhenli Expressway project. The aforesaid borrowing was obtained through pledging the toll collection right of Zhenli Expressway. As at the end of the Reporting Period, RMB451,000,000 has been repaid in aggregate and the balance of the borrowing amounted to RMB649,000,000.

A subsidiary of the Company, Guangjing Xicheng Company obtained bank loans amounting to RMB400,000,000 from Bank of Communications Jiangsu branch in 2012 for the equity investment in Yanjiang Company. The bank loans were secured by toll road operation rights of Guangjing Expressway and Xicheng Expressway. At the end of the Reporting Period, RMB150,000,000 has been repaid in advance and the balance of the borrowing amounted to RMB250,000,000.

A subsidiary of the Company, Guangjing Xicheng Company has acquired and absorbed Xiyi Expressway and undertaken the original borrowings of Xiyi Expressway. Xiyi Expressway obtained bank loans amounting to RMB200,000,000 from Bank of China (Wuxi branch) for the construction of Wuxi tollroad item. The bank loans were guaranteed by Jiangsu Communications Holding Company Limited and further secured by toll road operation rights of Wuxi tollroad in June 2008. At the end of the Reporting Period, RMB147,000,000 has been repaid in advance and the balance of the borrowing amounted to RMB53,000,000.

## **12. Segment reporting**

### *(1) Determining basis and accounting policy of reporting segment*

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 9 reporting segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. The Group has classified 9 reporting segments, which are Shanghai-Nanjing Expressway, G312, Nanjing-Lianyungang Highway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway, Ningchang Expressway and Zhengli Expressway, ancillary services (including petrol, catering and retail in service zone along the expressways), real estate development and advertising and others. These reporting segments are classified by the management based on the standards with which the management determines resources allocation and operating results.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(2) Financial information of reporting segment

Unit: Yuan Currency: Renminbi

	Shanghai-Nanjing Expressway		G312		Nanjing-Lianyungan Highway		Guangjing Xicheng Expressway		Xiyi Expressway and Wuxi Tollroad		Ningchang Zhengli Expressway	
	Corresponding period in the		Corresponding period in the		Corresponding period in the		Corresponding period in the		Corresponding period in the		Corresponding period in the	
	Current year	prior year	Current year	prior year	Current year	prior year	Current year	prior year	Current year	prior year	Current year	prior year
Operating income	2,201,209,034	2,216,708,705	25,424,867	26,358,501	12,984,405	15,982,803	392,263,734	384,418,304	130,877,098	130,892,956	365,882,294	291,980,392
Operating costs	521,545,486	505,139,425	117,425,949	134,889,010	7,749,710	8,208,654	87,304,159	83,666,108	66,979,832	63,209,015	194,792,912	190,740,147
Including: Amortization of toll roads operation rights	239,289,865	223,432,852	90,471,335	105,250,631	5,542,361	5,491,578	45,191,240	42,020,618	38,579,222	32,925,703	127,937,418	126,940,699
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit (loss)	1,679,663,548	1,711,569,280	-92,001,082	-108,530,509	5,234,695	7,774,149	304,959,575	300,752,196	63,897,266	67,683,941	171,089,382	101,240,245
Reconciling items:	-	-	-	-	-	-	-	-	-	-	-	-
Business taxes and levies	73,960,624	74,481,412	1,423,793	1,476,076	436,276	537,022	13,180,061	12,916,455	4,397,471	4,398,003	12,293,645	9,810,541
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	31,389,244	30,736,409	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss of assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>1,574,313,680</b>	<b>1,606,351,459</b>	<b>-93,424,875</b>	<b>-110,006,585</b>	<b>4,798,419</b>	<b>7,237,127</b>	<b>291,779,514</b>	<b>287,835,741</b>	<b>59,499,795</b>	<b>63,285,938</b>	<b>158,795,737</b>	<b>91,429,704</b>
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total profit</b>	<b>1,574,313,680</b>	<b>1,606,351,459</b>	<b>-93,424,875</b>	<b>-110,006,585</b>	<b>4,798,419</b>	<b>7,237,127</b>	<b>291,779,514</b>	<b>287,835,741</b>	<b>59,499,795</b>	<b>63,285,938</b>	<b>158,795,737</b>	<b>91,429,704</b>
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net profit</b>	<b>1,574,313,680</b>	<b>1,606,351,459</b>	<b>-93,424,875</b>	<b>-110,006,585</b>	<b>4,798,419</b>	<b>7,237,127</b>	<b>291,779,514</b>	<b>287,835,741</b>	<b>59,499,795</b>	<b>63,285,938</b>	<b>158,795,737</b>	<b>91,429,704</b>
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
<b>Total segment assets</b>	<b>12,892,531,626</b>	<b>12,936,817,529</b>	<b>853,284,138</b>	<b>945,091,991</b>	<b>300,070,584</b>	<b>305,612,946</b>	<b>1,461,737,051</b>	<b>1,479,048,828</b>	<b>2,270,843,514</b>	<b>2,313,371,638</b>	<b>6,919,966,136</b>	<b>7,066,308,133</b>

	Ancillary services		Real estate development		Advertising and others		Unallocated items		Total	
	Current year	Corresponding	Current year	Corresponding	Current year	Corresponding	Current year	Corresponding	Current year	Corresponding
		period in the prior year (Restated)		period in the prior year		period in the prior year (Restated)		period in the prior year (Restated)		period in the prior year (Restated)
Operating income	<b>927,515,715</b>	1,113,025,747	<b>229,219,704</b>	162,952,953	<b>25,290,157</b>	22,466,673	-	-	<b>4,310,667,008</b>	4,364,787,034
Operating costs	<b>916,577,166</b>	1,108,487,581	<b>134,401,169</b>	138,808,764	<b>7,731,160</b>	6,836,761	-	-	<b>2,054,507,543</b>	2,239,985,465
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	-	-	<b>547,011,441</b>	536,062,081
Costs of petrol and other goods sold in service zones	<b>804,413,124</b>	1,001,422,240	-	-	-	-	-	-	<b>804,413,124</b>	1,001,422,240
Segment operating profit (loss)	<b>10,938,549</b>	4,538,166	<b>94,818,535</b>	24,144,189	<b>17,558,997</b>	15,629,912	-	-	<b>2,256,159,465</b>	2,124,801,569
Reconciling items:	-	-	-	-	-	-	-	-	-	-
Business taxes and levies	<b>6,244,843</b>	8,629,456	<b>17,353,439</b>	14,298,143	<b>501,658</b>	573,796	-	-	<b>129,791,810</b>	127,120,904
Selling expenses	-	-	<b>3,364,896</b>	7,499,017	<b>205,394</b>	58,668	-	-	<b>3,570,290</b>	7,557,685
Administrative expenses	-	-	-	-	-	-	<b>62,363,487</b>	63,322,833	<b>93,752,731</b>	94,059,242
Financial expenses	-	-	-	-	-	-	<b>406,453,703</b>	444,291,532	<b>406,453,703</b>	444,291,532
Impairment loss of assets	-	-	-	-	-	-	<b>100,518</b>	-	<b>100,518</b>	-
Gains from changes in fair values	-	-	-	-	-	-	<b>11,300,937</b>	2,383,650	<b>11,300,937</b>	2,383,650
Investment income	-	-	-	-	-	-	<b>276,781,668</b>	192,383,746	<b>276,781,668</b>	192,383,746
<b>Operating profit</b>	<b>4,693,706</b>	-4,091,290	<b>74,100,200</b>	2,347,029	<b>16,851,945</b>	14,997,448	<b>-180,835,103</b>	-312,846,969	<b>1,910,573,018</b>	1,646,539,602
Non-operating income	-	-	-	-	-	-	<b>4,287,774</b>	3,937,442	<b>4,287,774</b>	3,937,442
Non-operating expenses	-	-	-	-	-	-	<b>12,794,618</b>	11,631,946	<b>12,794,618</b>	11,631,946
<b>Total profit</b>	<b>4,693,706</b>	-4,091,290	<b>74,100,200</b>	2,347,029	<b>16,851,945</b>	14,997,448	<b>-189,341,947</b>	-320,541,473	<b>1,902,066,174</b>	1,638,845,098
Income tax expenses	-	-	-	-	-	-	<b>130,231,182</b>	415,096,645	<b>130,231,182</b>	415,096,645
<b>Net profit</b>	<b>4,693,706</b>	-4,091,290	<b>74,100,200</b>	2,347,029	<b>16,851,945</b>	14,997,448	<b>(319,573,129)</b>	-735,638,118	<b>1,771,834,992</b>	1,223,748,453
	<b>Closing balance</b>	Opening balance (Restated)	<b>Closing balance</b>	Opening balance (Restated)	<b>Closing balance</b>	Opening balance (Restated)	<b>Closing balance</b>	Opening balance (Restated)	<b>Closing balance</b>	Opening balance (Restated)
<b>Total segment assets</b>	<b>338,735,421</b>	346,717,468	<b>3,543,714,463</b>	3,322,482,081	<b>331,050,010</b>	378,064,801	<b>8,743,312,867</b>	8,388,101,693	<b>37,655,245,810</b>	37,481,617,108

- (1) Segment profit represents the gross profit earned by each segment without allocation of finance costs, and investment income. The decision maker of the Group considers resource allocation and assessment of segment performance based on such information.
- (2) For the purposes of monitoring segment performances and allocating resources between segments, assets other than available-for-sale financial assets, long-term equity investment, held-for-trading financial assets and cash and bank balances etc. are allocated to segments.
- (3) External revenue classified by geographical area of source and non-current assets classified by geographical location.

All income and assets of the Group are from/located in the Jiangsu Province.

- (4) Degree of reliance on major customers.

The principle activities of the Group are toll roads operation and ancillary services along toll roads etc.. Therefore, there is no reliance on specific customers.

### **13. Events after the balance sheet date**

No significant events occurred subsequent to 30 June 2015 as at the date of approval of the 2015 interim financial statements and up to the date of this announcement.

#### **6.3 Financial statement related matter**

**6.3.1** Compared with the financial statements for the previous year, the Company should provide explanation, reason and its impact for changes in accounting policy and accounting estimation.

Applicable     Not applicable

**6.3.2** Compared with the financial statements for the previous year, the Company should provide specific explanation for changes of consolidation scope of financial statements.

During the Reporting Period, the Company acquired 100% equity interest in Ningchang Zhenli Company for a total consideration of RMB502,000,000, transferred all the debts of Ningchang Zhenli Company to the Company and capitalized such debts into equity; Guangjing Xicheng Company, a subsidiary of the Company, acquired 100% equity interest in Xiyi Company for a total consideration of RMB662,000,000 and acquired and merged with Xiyi Company. Such two transactions have been completed during the Reporting Period and Xiyi Company has been merged into Guangjing Xicheng Company, therefore, the consolidation scope of financial statements of the Group was changed during the Reporting Period.

**6.3.3** During the Reporting Period, the Company should provide explanation, correction amount, reason and its impact for correction of material accounting error which required retroactive adjustment or restatement.

Applicable     Not applicable

**Jiangsu Expressway Company Limited**  
*Managing director: Qian Yong Xiang*

Nanjing, the PRC  
28 August 2015

*As at the date of the announcement, directors of the Company are: Qian Yong Xiang, Chen Xiang Hui, Du Wen Yi, Zhang Yang, Hu Yu, Ma Chung Lai, Lawrence, Zhang Er Zhen\*, Ge Yang\*, Zhang Zhu Ting\*, Chen Liang\**

\* *Independent Non-executive Directors*