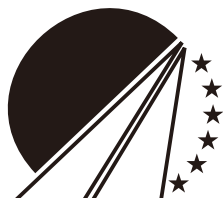


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江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)
(Stock Code: 00177)

**2017 First Quarterly Report of
Jiangsu Expressway Company Limited**

1. IMPORTANT NOTICE

1.1 The board of directors (the “**Board**”) and the supervisory committee of Jiangsu Expressway Company Limited (the “**Company**”) together with the directors, supervisors and the senior management warrant that the contents of this quarterly report are true, accurate and complete and that there is no false representations, misleading statements contained in, or material omissions from, this quarterly report and they severally and jointly accept legal responsibility for such warranty.

1.2 Directors absent from the Board meeting

| Name | Position | Reason | Name of proxy |
|---------------|----------------------|----------------------------|---------------|
| Wu Xinhua | Director | Other business engagements | Hu Yu |
| Zhang Zhuting | Independent Director | Other business engagements | Zhang Erzhen |
| Lin Hui | Independent Director | Other business engagements | Zhang Erzhen |

1.3 Chang Qing, the legal representative of the Company, Gu Dejun, the accounting chief, and Yu Lan Ying, the person-in-charge of the accounting department (Accounting Supervisor), warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.

1.4 This 2017 first quarterly (the “**Reporting Period**”) report of the Company is unaudited.

- 1.5 Unless otherwise defined herein, definitions of roads and companies shall have the same meanings as set out in the definition section of the annual report of the Company for the year ended 31 December 2016.
- 1.6 Unless otherwise stated, financial data in this quarterly report are all denominated in Renminbi (RMB).

2. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: yuan Currency: RMB

| | As at the end of the Reporting Period | As at the end of the previous year | Increase/decrease as at the end of the Reporting Period compared to the end of the previous year (%) |
|--|--|---|---|
| Total assets | 37,221,438,378 | 36,282,573,529 | 2.59 |
| Net assets attributable to shareholders of the listed Company | 23,075,965,583 | 22,209,756,185 | 3.90 |
| | From the beginning of the year to the end of the Reporting Period | From the beginning of the previous year to the end of the reporting period of the previous year | Increase/decrease compared to the corresponding period of the previous year (%) |
| Net cash flow generated from operating activities | 1,273,304,540 | 1,442,033,240 | -11.70 |
| Operating revenue | 2,295,677,347 | 2,046,758,024 | 12.16 |
| Net profit attributable to shareholders of the listed Company | 878,672,948 | 773,690,286 | 13.57 |
| Net profit attributable to shareholders of the listed Company net of non-recurring profit and loss | 874,192,406 | 772,335,590 | 13.19 |
| Weighted average return on net assets (%) | 3.88 | 3.71 | Increased by 0.17 percentage point |
| Basic earnings per share (<i>RMB per share</i>) | 0.1744 | 0.1536 | 13.57 |
| Diluted earnings per share (<i>RMB per share</i>) | N/A | N/A | N/A |

Non-recurring profit and loss items and amount

Applicable Not Applicable

Unit: yuan Currency: RMB

| Item | Amount for the Reporting Period | Explanation |
|---|---------------------------------------|---|
| Profit and loss from disposal of non-current assets | -348,161 | |
| Government grants included in the profit and loss for the current period (except for government grants which are closely related to normal operation and business of the Company, complying with the requirements of state policy, and entitled continuously according to certain standardized amounts or quotas) | 492,205 | Compensation for construction of Ningchang Expressway recognised during the Reporting Period |
| Profit and loss of changes in fair value arising from holding of trading financial assets and trading financial liabilities, as well as investment gain realized from disposal of trading financial assets, trading financial liabilities and financial assets available for sale, except for valid hedge business related to normal operations and business of the Company | 3,998,129 | |
| Non-operating income and expenses other than the above items | -4,661,005 | |
| Other profit and loss items conforming with the definition of non-recurring profit and loss | 6,475,156 | Income obtained during the Reporting Period from the loans provided by the Group to Hanwei Company, a joint venture |
| Affected minority interest amount (after tax) | 13,299 | |
| Affected income tax amount | -1,489,081 | |
| Total | <u>4,480,542</u> | |

2.2 Total number of shareholders, and shareholdings of the top ten shareholders and the top ten holders of circulating shares (or holders of shares not subject to trading restrictions) as at the end of the Reporting Period

Unit: Share

Total number of shareholders
(number of H shareholders: 438 inclusive) 23,181

Shareholdings of top ten shareholders

| Name of shareholder (full name) | Number of | Percentage | Number of | Shares pledged | | Nature of shareholders |
|---|---|------------|---|------------------|------------------|--------------------------|
| | shares held as at the end of the Reporting Period | | shares held subject to trading restrictions | Status of shares | Number of shares | |
| Jiangsu Communications Holding Company Limited | 2,742,578,825 | 54.44 | 0 | Nil | 0 | State-owned legal person |
| China Merchants Expressway Network & Technology Holdings Co., Ltd. | 589,059,077 | 11.69 | 0 | Nil | 0 | State-owned legal person |
| BlackRock, Inc. | 125,364,874 | 2.49 | 0 | Unknown | 0 | Foreign legal person |
| Mondrian Investment Partners Limited | 97,612,000 | 1.94 | 0 | Unknown | 0 | Foreign legal person |
| Commonwealth Bank of Australia | 86,510,187 | 1.72 | 0 | Unknown | 0 | Foreign legal person |
| JPMorgan Chase & Co. | 82,901,847 | 1.65 | 0 | Unknown | 0 | Foreign legal person |
| Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund | 26,489,420 | 0.53 | 0 | Unknown | 0 | Others |
| China Securities Finance Corporation Limited | 23,130,631 | 0.46 | 0 | Unknown | 0 | Others |
| Jiantou Zhongxin Asset Management Co., Ltd. | 21,410,000 | 0.42 | 0 | Unknown | 0 | Others |
| Hong Kong Monetary Authority – Self-owned Funds | 11,180,701 | 0.22 | 0 | Unknown | 0 | Others |

Shareholdings of top ten holders of shares not subject to trading restrictions

| Name of shareholder | Number of circulating shares held not subject to trading restriction | Type and number of shares | |
|--|---|---------------------------------|---------------|
| | | Type | Number |
| Jiangsu Communications Holding Company Limited | 2,742,578,825 | RMB-denominated ordinary shares | 2,742,578,825 |
| China Merchants Expressway Network & Technology Holdings Co., Ltd. | 589,059,077 | RMB-denominated ordinary shares | 589,059,077 |
| BlackRock, Inc. | 125,364,874 | Overseas-listed foreign shares | 125,364,874 |
| Mondrian Investment Partners Limited | 97,612,000 | Overseas-listed foreign shares | 97,612,000 |
| Commonwealth Bank of Australia | 86,510,187 | Overseas-listed foreign shares | 86,510,187 |
| JPMorgan Chase & Co. | 82,901,847 | Overseas-listed foreign shares | 82,901,847 |
| Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund | 26,489,420 | RMB-denominated ordinary shares | 26,489,420 |
| China Securities Finance Corporation Limited | 23,130,631 | RMB-denominated ordinary shares | 23,130,631 |
| Jiantou Zhongxin Asset Management Co., Ltd. | 21,410,000 | RMB-denominated ordinary shares | 21,410,000 |
| Hong Kong Monetary Authority – Self-owned Funds | 11,180,701 | RMB-denominated ordinary shares | 11,180,701 |
| Illustration on the related party/ connected relationship or act-in-concert arrangement with respect to the above shareholders | (1) The Company is not aware of the existence of related party/connected relationship or act-in-concert arrangement with respect to the above shareholders; (2) During the Reporting Period, there were no related/connected parties, strategic investors of the Company nor normal legal persons becoming the top ten shareholders of the Company because of placing of new shares; (3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). | | |
| Illustration on the preference shareholders with voting rights restored and their shareholding | Nil | | |

2.3 Total number of preference shareholders, and shareholdings of the top ten preference shareholders and the top ten holders of preference shares not subject to trading restrictions as at the end of the Reporting Period

Applicable Not Applicable

3. SIGNIFICANT EVENTS

3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

Applicable Not Applicable

During the Reporting Period, Jiangsu Wufengshan Toll Bridge Company Limited (“**Wufengshan Company**”) which is held as to 64.5% of the equity interests by the Company, and Jiangsu Changyi Expressway Company Limited (“**Changyi Company**”), which is held as to 60% of the equity interests by Guangjing Xicheng Company, a subsidiary of the Company, were established and their respective first instalment of capital contributions were in place. As at the end of the Reporting Period, the Group newly added two subsidiaries and that resulted in changes in the scope of consolidated statements. For details of the two subsidiaries and their projects, please refer to the announcements of the Company dated 3 March 2016, 6 September 2016 and 27 March 2017, respectively.

During the Reporting Period, the Group realized the total operating revenue of approximately RMB2,295,677,000 from various businesses, representing an increase of approximately 12.16% compared to the corresponding period of 2016.

In particular, toll revenue from principal toll road business amounted to approximately RMB1,676,311,000, representing an increase of approximately 3.36% compared to the corresponding period of the previous year. During the Reporting Period, the daily average traffic volume of Shanghai-Nanjing Expressway was 94,218 vehicles, representing an increase of approximately 6.8% year-on-year, of which the average daily traffic volume of passenger vehicles was 75,988 vehicles, representing an increase of approximately 6.19% year-on-year, while the average daily traffic volume of trucks was 18,231 vehicles, representing an increase of approximately 9.45% year-on-year, which maintained its growth momentum since the fourth quarter last year. The proportion of passenger vehicle traffic volume and truck traffic volume was approximately 80.65% and approximately 19.35% respectively in Shanghai-Nanjing Expressway, of which the proportion of truck traffic volume increased by approximately 0.47 percentage point as compared to the corresponding period of the previous year. The average daily toll revenue from the Shanghai-Nanjing Expressway in the Reporting Period was approximately RMB12,837,760, representing a year-on-year increase of approximately 2.79%. As affected by the changes in the taxation policy of replacing business tax with value added tax (VAT), the growth of toll revenue was less than that in traffic volume.

During the Reporting Period, Nanjing-Lianyungang Highway experienced significant changes in traffic volume and revenue due to traffic restrictions on both trucks and passenger vehicles on the adjacent road for overhaul reasons; revenue from Sujiahang Expressway decreased due to the traffic ban on trucks in the city proper of Suzhou since December 2016. Other road and bridge projects operated by the Group continued to maintain a stable growth in traffic volume with the truck traffic volumes all having a growth of different extents. As a result, the realization of overall toll revenue in the Reporting Period was better than the expected one at the beginning of the year.

Data of average daily traffic volume and average daily toll revenue of roads and bridges projects from January to March 2017

| Road/Bridge Project | Average daily traffic volume (vehicle/day) | | | Average daily toll revenue (RMB'000/day) | | |
|------------------------------|--|----------------------|----------------------------|--|----------------------|----------------------------|
| | Corresponding period of | | Increase/ decrease % | Corresponding period of | | Increase/ decrease % |
| | January– March | the previous year | | January– March | the previous year | |
| Shanghai-Nanjing Expressway | 94,218 | 88,216 | 6.80 | 12,837.76 | 12,489.43 | 2.79 |
| Nanjing- Lianyungang Highway | 5,839 | 5,212 | 12.03 | 86.12 | 65.41 | 31.66 |
| Guangjing Expressway | 70,515 | 68,308 | 3.23 | 790.18 | 787.73 | 0.31 |
| Xicheng Expressway | 75,853 | 71,525 | 6.05 | 1,456.64 | 1,400.20 | 4.03 |
| Jiangyin Bridge | 85,544 | 80,794 | 5.88 | 2,873.45 | 2,773.85 | 3.59 |
| Sujiahang Expressway | 58,752 | 57,726 | 1.78 | 2,796.49 | 3,189.90 | -12.33 |
| Ningchang Expressway | 41,111 | 35,171 | 16.89 | 2,064.85 | 1,802.25 | 14.57 |
| Zhenli Expressway | 11,498 | 9,949 | 15.57 | 591.29 | 506.55 | 16.73 |
| Xiyi Expressway | 19,468 | 18,338 | 6.16 | 725.95 | 700.08 | 3.70 |
| Wuxi Huantaihu Expressway | 7,579 | 6,921 | 9.51 | 72.88 | 69.68 | 4.59 |
| Changjia Expressway | 10,939 | - | - | 196.10 | - | - |

Note: In accordance with the provisions of the Notice on Full Implementation the Pilot Program of Replacing Business Tax with Value-Added Tax (VAT) (Cai Shui [2016] No. 36) issued by the Ministry of Finance and State Administration of Taxation, the pilot program of replacing business tax with VAT shall be fully implemented across the country from 1 May 2016. Since the commencement dates of the construction of the existing expressways in operation of the Company were all before 30 April 2016, the simplified tax calculation method is applicable and VAT shall be calculated and paid at the tax rate of 3%. The average daily revenue for the above road and bridge projects commenced in May 2016 and the corresponding VAT has been deducted.

During the Reporting Period, as affected by the increase in retail price of oil products compared to the corresponding period of last year, the Company realized a revenue of approximately RMB424,116,000 for the ancillary business, representing an increase of approximately 4.19% as compared to the corresponding period of last year. During the Reporting Period, the development and sales of the projects of the property business were launched orderly. Revenue realized from pre-sale amounted to approximately RMB164,174,000. Projects delivered during the Reporting Period mainly included Tongcheng Shijia Garden B Phase I and Phase II, Tongcheng Guangmingxinzu and Suzhou Qingyuan. As the scale being delivered and carried forward in the Reporting Period was larger compared to the corresponding period of last year, operating revenue of property business of approximately RMB178,973,000 was recognized, representing a significant increase as compared to the corresponding period of last year. Revenue realized from advertising and other businesses amounted to approximately RMB16,277,000 in total, representing an increase of approximately 56.75% year-on-year, which was mainly due to the increase in revenue from advertising operation as a result of a larger increase in distribution of billboards of the subsidiaries of the Company since the second half of last year. In addition, revenue from leased commercial properties and property management of Ninghu Properties, a subsidiary of the Company, was higher than that of the corresponding period of last year.

During the Reporting Period, according to the PRC Accounting Standards, the accumulated operating cost of the Group amounted to approximately RMB1,044,913,000, representing an increase of approximately 18.32% compared to the corresponding period of last year. Operating profits of approximately RMB1,177,510,000 was realized. Net profits attributable to the shareholders of the listed Company amounted to approximately RMB878,673,000. Earnings per share amounted to approximately RMB0.1744, representing an increase of 13.57% as compared to the corresponding period of last year.

Reasons for Material Changes in Balance Sheet Items as at 31 March 2017

Unit: yuan Currency: RMB

| Item | As at end of the Reporting Period | As at the end of previous year | Increase or decrease | Reason of changes |
|--|---|--------------------------------------|-------------------------|---|
| Cash and bank balances | 399,223,796 | 265,422,162 | 50.41% | Mainly due to the capital absorption of Changyi Company, a newly added subsidiary of the Company, during the Reporting Period. |
| Bills receivable | 2,850,000 | 6,116,460 | -53.40% | Mainly due to the decrease in the bank acceptance notes held by Ninghu Investment, a subsidiary of the Company, as compared to that at the beginning of the year. |
| Prepayments | 27,192,581 | 16,851,683 | 61.36% | Mainly due to increase in the prepayment for the purchase of oil products and construction prepayments during the Reporting Period as compared to that at the beginning of the year |
| Dividends receivable | 73,370,239 | 4,989,960 | 1,370.36% | Mainly due to the declaration of dividends by Yangtze Bridge Company, an associated company of the Company, during the Reporting Period. |
| Non-current assets due within one year | 300,000,000 | 0 | - | Mainly due to the adjustment of the shareholder's loan in the amount of RMB300 million provided by the Group to Hanwei Company, a joint venture of the Company, which will be due on 26 March 2018, from other non-current assets to non-current assets due within one year at the end of the Reporting Period. |
| Other current assets | 538,839,654 | 326,161,615 | 65.21% | Mainly due to the increase in the short-term capital preservation wealth management products held by the Group at the end of the Reporting Period as compared to that at the beginning of the year. |

| Item | As at end of the Reporting Period | As at the end of previous year | Increase or decrease | Reason of changes |
|--------------------------|---|--------------------------------------|-------------------------|---|
| Construction in progress | 1,954,555,329 | 1,197,809,229 | 63.18% | Mainly due to the investments in construction of newly added road and bridge construction projects, namely, the projects of Wufengshan Toll Bridge and North-South Approach Expressways and the Changzhou-Yixing Expressway Phase I Project during the Reporting Period. |
| Other non-current assets | 196,477,785 | 376,477,785 | -47.81% | Mainly due to the adjustments of the shareholder's loan in the amount of RMB300 million provided by the Group to Hanwei Company, a joint venture of the Company, from other non-current assets to non-current assets due within one year at the end of the Reporting Period; and the newly added entrusted loan of RMB120 million provided by the Group for Hanwei Company during the Reporting Period. |
| Short-term borrowings | 1,060,000,000 | 810,000,000 | 30.86% | Mainly due to the increase in part of short-term borrowings by the Company for capital turnover purposes during the Reporting Period. |
| Interest payable | 148,470,656 | 92,220,187 | 61% | Mainly due to the increase in the direct financing interests payable for mid-term notes and ultra-short-term notes at the end of the Reporting Period. |

Reasons for Material Changes in Income Statement Items during the Reporting Period

Unit: yuan Currency: RMB

| Item | From beginning of 2017 to the end of the Reporting Period | Corresponding period of last year | Increase/decrease | Reason of changes |
|-------------------------------|--|--|--------------------------|---|
| Business taxes and levies | 23,247,966 | 64,891,859 | -64.17% | Mainly due to the year-on-year decrease in business taxes and levies as affected by the policy of replacing business tax with VAT during the Reporting Period |
| Selling expenses | 1,790,400 | 4,314,045 | -58.50% | Mainly due to the year-on-year decrease in advertising expenses and commission as a result of the year-on-year decrease in the presale scale of property projects of Ninghu Properties, a subsidiary of the Company, during the Reporting Period. |
| Financial expenses | 101,442,322 | 134,995,380 | -24.85% | Mainly due to the year-on-year decrease in the interest-bearing debts issued by the Company during the Reporting Period and lower cost for the existing direct financing as compared to that of the corresponding period of last year. |
| Gain on changes in fair value | 1,862,340 | -3,290,483 | - | Mainly due to the increase in fair value of the held-for-trading financial assets held by Ninghu Investment, a subsidiary of the Company, during the Reporting Period. |
| Non-operating revenue | 604,768 | 2,167,823 | -72.10% | Mainly due to the year-on-year decrease in non-operating revenue as a result of the changes in the recognition of the compensation income for road assets during the Reporting Period. |
| Non-operating expenses | 5,121,730 | 3,917,154 | 30.75% | Mainly due to the year-on-year increase in the losses from disposal of non-current assets and road repair expenses during the Reporting Period. |
| Other comprehensive income | -12,463,550 | -16,775,805 | -25.71% | Mainly due to changes in fair value of the financial assets available for sale held by Yangtze Bridge Company, an associated company of the Company, during the Reporting Period. |

Analysis of Reason for Changes in Cash Flow Statement Items during the Reporting Period

Unit: yuan Currency: RMB

| Item | From beginning of 2017 to the end of the Reporting Period | Corresponding period of last year | Increase/decrease | Reason of changes |
|--|--|--|--------------------------|---|
| Net cash flows from investing activities | -1,234,995,049 | 1,721,480 | - | Mainly due to the net cash outflow for purchase of wealth management products and the year-on-year increase in external payment for construction projects of expressways during the Reporting Period. |
| Net cash flows from financing activities | 153,205,868 | -1,430,919,092 | - | Mainly due to the year-on-year decrease in net cash outflow for repayment of interest-bearing debts during the Reporting Period. |

3.2 Analysis of progress of significant events and their impact and solutions

Applicable Not Applicable

The investment in new projects of Wufengshan Toll Bridge and North-South Approach Expressways was considered and approved by the Company at the tenth meeting of the eighth session of the Board held on 5 September 2016 and the capital contribution was not more than RMB3.3 billion. On 24 March 2017, the Company entered into an agreement with Zhenjiang Transportation Industry Group Co. Ltd. and Yangzhou Transportation Industrial Group Co. Ltd. to establish Wufengshan Company to take charge of the investment, construction, operation and management of the projects of Wufengshan Toll Bridge and North-South Approach Expressways, which is held as to 64.5% of the equity interests by the Company. As at the end of the Reporting Period, Wufengshan Company has received the first batch of capital contribution of RMB450,540,000 in aggregate. The preliminary construction work of Wufengshan Toll Bridge and North-South Approach Expressways has been commenced. For details, please refer to the announcements of the Company dated 6 September 2016 and 27 March 2017, respectively.

As considered and approved by the fourth meeting of the eighth session of the Board of the Company on 29 December 2015, Guangjing Xicheng Company, a subsidiary of the Company, contributed not more than RMB800 million for investment in the phase-one project of Changzhou-Yixing Expressway. The total investment amount of the project was estimated to be approximately RMB2,918 million. Jiangsu Development and Reform Commission approved the feasibility research report and preliminary design

of the project in October 2016 and January 2017, respectively. However, by virtue of the adjustment of land expropriation compensation and relocation policy made by the People's Government of Jiangsu Province for the key traffic engineering and construction projects of Jiangsu Province, the approved estimated preliminary design budget of the project has been adjusted to approximately RMB3,799.62 million. Thus, as considered and approved by the fourteenth meeting of the eighth session of the Board of the Company on 24 March 2017, the capital contribution made to the project by Guangjing Xicheng Company increased by not more than RMB200 million, with a total capital contribution of not more than RMB1,000 million. As at the end of the Reporting Period, the first instalment of capital contribution of RMB700,320,000 in aggregate was received for the project. The preliminary work of construction work has been commenced. For details, please refer to the announcements of the Company dated 30 December 2015 and 27 March 2017 respectively.

At the thirteenth meeting of the eighth session of the Board held on 3 March 2017, the Board of the Company considered and approved the investment by Guangjing Xicheng Company, a subsidiary of the Company, in the new construction project of Yixing-Changxing Expressway (the “**Yichang Expressway**”) with capital contribution of not more than RMB1 billion. On 24 March 2017, Guangjing Xicheng Company and Yixing Transportation Industrial Investment and Management Co. Ltd. entered into an agreement to establish Jiangsu Yichang Expressway Company Limited to take charge of the investment, construction, operation and management of Yichang Expressway, which is held as to 60% of the equity interests by Guangjing Xicheng Company. For details, please refer to the announcements of the Company dated 3 March 2016 and 27 March 2017, respectively.

3.3 Undertakings not being fully performed during the Reporting Period

Applicable Not Applicable

3.4 Warning and explanation of reasons in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next Reporting Period becoming a loss or significant changes compared to the corresponding period of the previous year

Applicable Not Applicable

Company **Jiangsu Expressway Company Limited**
Legal representative **Chang Qing**
Date 29 April 2017

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan

Currency: RMB

Type of Audit: Unaudited

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|---|--|
| Current Assets: | | |
| Cash and bank balances | 399,223,796 | 265,422,162 |
| Financial assets at fair value through profit and loss for the period | 35,075,057 | 33,212,717 |
| Bills receivable | 2,850,000 | 6,116,460 |
| Accounts receivable | 150,130,653 | 148,153,297 |
| Prepayments | 27,192,581 | 16,851,683 |
| Interests receivable | 53,327,333 | 45,694,000 |
| Dividends receivable | 73,370,239 | 4,989,960 |
| Other receivables | 426,491,218 | 422,083,818 |
| Inventories | 3,044,143,177 | 3,142,326,304 |
| Non-current assets due within one year | 300,000,000 | 0 |
| Other current assets | 538,839,654 | 326,161,615 |
| Total Current Assets | <u>5,050,643,708</u> | <u>4,411,012,016</u> |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|--|--|
| Non-current Assets: | | |
| Available-for-sale financial assets | 2,086,127,987 | 2,086,127,987 |
| Long-term equity investments | 4,775,082,037 | 4,771,195,958 |
| Investment properties | 33,479,559 | 32,113,394 |
| Fixed assets | 1,719,195,438 | 1,734,084,711 |
| Construction in progress | 1,954,555,329 | 1,197,809,229 |
| Intangible assets | 21,092,045,805 | 21,324,779,176 |
| Long-term deferred expenses | 2,913,733 | 3,628,179 |
| Deferred income tax assets | 310,916,997 | 345,345,094 |
| Other non-current assets | 196,477,785 | 376,477,785 |
| | <hr/> | <hr/> |
| Total Non-current Assets | 32,170,794,670 | 31,871,561,513 |
| | <hr/> <hr/> | <hr/> <hr/> |
| TOTAL ASSETS | 37,221,438,378 | 36,282,573,529 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Current Liabilities: | | |
| Short-term borrowings | 1,060,000,000 | 810,000,000 |
| Accounts payable | 827,437,741 | 987,946,428 |
| Receipts in advance | 930,957,727 | 940,873,359 |
| Employee remuneration payable | 5,626,469 | 4,816,324 |
| Taxes payable | 190,176,009 | 231,702,787 |
| Interest payable | 148,470,656 | 92,220,187 |
| Dividends payable | 73,614,218 | 73,614,218 |
| Other payables | 44,059,001 | 39,984,545 |
| Non-current liabilities due within one year | 121,709,378 | 121,718,718 |
| Other current liabilities | 3,451,147,665 | 3,936,452,668 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 6,853,198,864 | 7,239,329,234 |
| | <hr/> <hr/> | <hr/> <hr/> |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|---|--|
| Non-current liabilities: | | |
| Long-term borrowings | 1,421,054,990 | 1,471,905,901 |
| Bonds payable | 4,460,584,536 | 4,457,801,187 |
| Deferred income | 32,825,499 | 33,317,704 |
| Deferred income tax liabilities | 138,871,899 | 138,362,514 |
| Total Non-current Liabilities | <u>6,053,336,924</u> | <u>6,101,387,306</u> |
| TOTAL LIABILITIES | <u>12,906,535,788</u> | <u>13,340,716,540</u> |
| OWNERS' EQUITY | | |
| Share capital | 5,037,747,500 | 5,037,747,500 |
| Capital reserve | 10,428,388,235 | 10,428,388,235 |
| Other comprehensive income | 529,925,502 | 542,389,052 |
| Surplus reserve | 3,153,173,160 | 3,153,173,160 |
| Retained profits | 3,926,731,186 | 3,048,058,238 |
| Total owners' equity attributable to the parent company | <u>23,075,965,583</u> | <u>22,209,756,185</u> |
| Minority interests | <u>1,238,937,007</u> | <u>732,100,804</u> |
| TOTAL OWNERS' EQUITY | <u>24,314,902,590</u> | <u>22,941,856,989</u> |
| TOTAL LIABILITIES AND OWNERS' EQUITY | <u>37,221,438,378</u> | <u>36,282,573,529</u> |

| | | |
|---|---|---|
| <i>Legal representative:</i> Chang Qing | <i>Accounting chief:</i> Gu Dejun | <i>Person-in-charge of the accounting department:</i> Yu Lan Ying |
|---|---|---|

Balance Sheet of the Parent Company

31 March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan

Currency: RMB

Type of Audit: Unaudited

| Items | Balance at the end of the Reporting Period | Balance at the beginning of the year |
|--|---|--|
| Current Assets: | | |
| Cash and bank balances | 78,008,363 | 98,649,203 |
| Accounts receivable | 101,940,619 | 102,488,935 |
| Prepayments | 16,010,321 | 9,116,045 |
| Interests receivable | 55,573,930 | 47,940,597 |
| Dividends receivable | 73,370,239 | 4,989,960 |
| Other receivables | 409,910,973 | 403,316,212 |
| Inventories | 21,594,134 | 22,388,679 |
| Non-current assets due within one year | 300,000,000 | 0 |
| Other current assets | 180,000,000 | 303,141,833 |
| Total Current Assets | 1,236,408,579 | 992,031,464 |
| Non-current Assets: | | |
| Available-for-sale financial assets | 1,567,230,000 | 1,567,230,000 |
| Long-term equity investments | 13,065,622,312 | 12,850,682,084 |
| Fixed assets | 1,044,695,117 | 1,055,641,400 |
| Construction in progress | 50,223,039 | 49,051,089 |
| Intangible assets | 11,431,442,607 | 11,592,006,027 |
| Other non-current assets | 2,342,893,240 | 2,518,859,835 |
| Total Non-current Assets | 29,502,106,315 | 29,633,470,435 |
| TOTAL ASSETS | 30,738,514,894 | 30,625,501,899 |

| Items | Balance at the end of the Reporting Period | Balance at the beginning of the year |
|--|---|---|
| Current Liabilities: | | |
| Short-term borrowings | 880,000,000 | 770,000,000 |
| Accounts payable | 258,363,232 | 310,276,757 |
| Receipts in advance | 22,639,611 | 8,035,625 |
| Employee remuneration payable | 892,234 | 764,117 |
| Taxes payable | 99,510,103 | 151,738,572 |
| Interest payable | 119,397,527 | 74,066,670 |
| Dividends payable | 73,614,218 | 73,614,218 |
| Other payables | 19,491,107 | 21,431,361 |
| Non-current liabilities due within one year | 1,709,378 | 1,718,718 |
| Other current liabilities | 3,451,147,665 | 3,936,452,668 |
| Total Current Liabilities | <u>4,926,765,075</u> | <u>5,348,098,706</u> |
| Non-current liabilities: | | |
| Long-term borrowings | 18,054,990 | 118,905,901 |
| Bonds payable | 4,460,584,536 | 4,457,801,187 |
| Deferred income tax liabilities | 136,486,744 | 136,486,744 |
| Total Non-current Liabilities | <u>4,615,126,270</u> | <u>4,713,193,832</u> |
| TOTAL LIABILITIES | <u>9,541,891,345</u> | <u>10,061,292,538</u> |

| Items | Balance at the end of the Reporting Period | Balance at the beginning of the year |
|---|---|--|
| OWNERS' EQUITY: | | |
| Share capital | 5,037,747,500 | 5,037,747,500 |
| Capital reserve | 7,327,650,327 | 7,327,650,327 |
| Other comprehensive income | 511,500,270 | 523,963,820 |
| Surplus reserve | 2,518,873,750 | 2,518,873,750 |
| Retained profits | 5,800,851,702 | 5,155,973,964 |
| TOTAL OWNERS' EQUITY | <u>21,196,623,549</u> | <u>20,564,209,361</u> |
| TOTAL LIABILITIES AND OWNERS' EQUITY | <u>30,738,514,894</u> | <u>30,625,501,899</u> |

| | | |
|---|---|---|
| <i>Legal representative:</i> Chang Qing | <i>Accounting chief:</i> Gu Dejun | <i>Person-in-charge of the accounting department:</i> Yu Lan Ying |
|---|---|---|

Consolidated Income Statement

January-March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan

Currency: RMB

Type of Audit: Unaudited

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|---|--|--|
| I. Total operating income | 2,295,677,347 | 2,046,758,024 |
| Including: Operating income | 2,295,677,347 | 2,046,758,024 |
| II. Total operating costs | 1,213,370,672 | 1,124,847,637 |
| Including: Operating costs | 1,044,912,645 | 883,138,791 |
| Taxes and surcharges | 23,247,966 | 64,891,859 |
| Selling expenses | 1,790,400 | 4,314,045 |
| Administrative expenses | 41,977,339 | 37,507,562 |
| Financial expenses | 101,442,322 | 134,995,380 |
| Add: Gains from changes in fair value (Loss is indicated by “-”) | 1,862,340 | -3,290,483 |
| Investment income (Loss is indicated by “-”) | 93,340,853 | 88,525,252 |
| Including: Income from investments in associates and joint ventures | 84,729,908 | 81,632,591 |
| III. Operating profit (Loss is indicated by “-)”) | 1,177,509,868 | 1,007,145,156 |
| Add: Non-operating income | 604,768 | 2,167,823 |
| Including: Gains from disposal of non-current assets | 24,700 | 1,519 |
| Less: Non-operating expenses | 5,121,730 | 3,917,154 |
| Including: Losses from disposal of non-current assets | 372,861 | 93,714 |

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|---|--|--|
| IV. Total profit (Total loss is indicated by “-”) | 1,172,992,906 | 1,005,395,825 |
| Less: Income tax expense | 272,151,755 | 209,741,419 |
| V. Net profit (Net loss is indicated by “-”) | 900,841,151 | 795,654,406 |
| Net profit attributable to owners of the parent company | 878,672,948 | 773,690,286 |
| Profit and loss attributable to minority interests | 22,168,203 | 21,964,120 |
| VI. Net amount of other comprehensive income after tax | -12,463,550 | -16,775,805 |
| Net amount of other comprehensive income after tax attributable to owners of the parent company | -12,463,550 | -16,775,805 |
| (I) Other comprehensive income that will not be reclassified to the profit and losses subsequently | - | - |
| (II) Other comprehensive income that will be reclassified to the profit and losses subsequently | -12,463,550 | -16,775,805 |
| 1. Share of other comprehensive income of investees that will subsequently be reclassified to the profit and losses under equity method | -12,463,550 | -16,775,805 |
| VII. Total comprehensive income | 888,377,601 | 778,878,601 |
| Total comprehensive income attributable to owners of the parent company | 866,209,398 | 756,914,481 |
| Total comprehensive income attributable to minority interests | 22,168,203 | 21,964,120 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share (<i>RMB/share</i>) | 0.1744 | 0.1536 |
| (II) Diluted earnings per share (<i>RMB/share</i>) | N/A | N/A |

For the merger of enterprise under common control during the Reporting Period, the net profit recorded by the merged party before the merger was RMB0, and the net profit recorded by the merged party in the previous period was RMB0.

| | | |
|------------------------------|--------------------------|---|
| <i>Legal representative:</i> | <i>Accounting chief:</i> | <i>Person-in-charge of the accounting department:</i> |
| Chang Qing | Gu Dejun | Yu Lan Ying |

Income Statement of the Parent Company

January-March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan

Currency: RMB

Type of Audit: Unaudited

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|---|--|---|
| I. Operating income | 1,574,820,248 | 1,534,544,085 |
| Less: Operating costs | 687,474,897 | 665,946,131 |
| Taxes and surcharges | 9,099,438 | 44,993,873 |
| Administrative expenses | 31,099,198 | 27,893,704 |
| Financial expenses | 75,232,187 | 108,921,150 |
| Add: Gains from changes in fair value (Loss is indicated by “-”) | – | – |
| Investment income (Loss is indicated by “-”) | 74,903,513 | 76,123,243 |
| Including: Income from investments in associates and joint ventures | 49,784,059 | 44,859,057 |
| II. Operating profit (Loss is indicated by “-”) | 846,818,041 | 762,912,470 |
| Add: Non-operating income | 89,460 | 1,351,872 |
| Including: Gains from disposal of non-current assets | 24,700 | 0 |
| Less: Non-operating expenses | 3,665,203 | 3,831,915 |
| Including: Losses from disposal of non-current assets | 0 | 19,223 |

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|---|---------------------------------------|---|
| III. Total profit (Total loss is indicated by “-”) | 843,242,298 | 760,432,427 |
| Less: Income tax expense | 198,364,560 | 178,893,342 |
| IV. Net profit (Net loss is indicated by “-”) | 644,877,738 | 581,539,085 |
| V. Net amount of other comprehensive income after tax | -12,463,550 | -16,775,805 |
| (I) Other comprehensive income that will not be reclassified to the profit and loss subsequently | - | - |
| (II) Other comprehensive income that will be reclassified to the profit and losses subsequently | -12,463,550 | -16,775,805 |
| Share of other comprehensive income of investees will subsequently be reclassified to profit and loss under equity method | -12,463,550 | -16,775,805 |
| VI. Total comprehensive income | 632,414,188 | 564,763,280 |
| VII. Earnings per share | | |
| (I) Basic earnings per share (RMB/share) | 0.1280 | 0.1154 |
| (II) Diluted earnings per share (RMB/share) | N/A | N/A |

| | | |
|---|---|---|
| <i>Legal representative:</i> Chang Qing | <i>Accounting chief:</i> Gu Dejun | <i>Person-in-charge of the accounting department:</i> Yu Lan Ying |
|---|---|---|

Consolidated Cash Flow Statement

January-March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan

Currency: RMB

Type of Audit: Unaudited

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|--|--|--|
| I. Cash Flows from Operating Activities: | | |
| Cash receipts from the sale of goods and the rendering of services | 2,410,482,097 | 2,732,872,294 |
| Other cash receipts relating to operating activities | 81,785,474 | 22,839,542 |
| Subtotal of cash inflows from operating activities | 2,492,267,571 | 2,755,711,836 |
| Cash payments for goods purchased and service received | 628,178,510 | 836,381,370 |
| Cash payments to and on behalf of employees | 205,596,595 | 193,827,534 |
| Taxes payment | 355,145,196 | 251,681,498 |
| Other cash payments relating to operating activities | 30,042,730 | 31,788,194 |
| Sub-total of cash outflows from operating activities | 1,218,963,031 | 1,313,678,596 |
| Net cash flows from Operating Activities | 1,273,304,540 | 1,442,033,240 |
| II. Cash Flows from Investing Activities: | | |
| Cash receipts from disposals of investments | 751,903,747 | 657,500,000 |
| Cash receipts from investment income | 2,232,003 | 2,465,438 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 200,830 | 2,000 |
| Sub-total of cash inflows from investing activities | 754,336,580 | 659,967,438 |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 905,331,629 | 178,245,958 |
| Cash payments for investments | 964,000,000 | 480,000,000 |
| Other cash payments relating to investment activities | 120,000,000 | 0 |
| Sub-total of cash outflows from investing activities | 1,989,331,629 | 658,245,958 |
| Net Cash Flows from Investing Activities | -1,234,995,049 | 1,721,480 |

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|--|--|--|
| III. Cash Flows from Financing Activities: | | |
| Cash received from investors | 484,668,000 | 0 |
| Including: Cash received by subsidiaries from minority shareholders' investment | 484,668,000 | 0 |
| Cash receipts from borrowings | 670,000,000 | 520,000,000 |
| Cash receipts from issuance of bonds | 0 | 1,796,640,000 |
| Sub-total of cash inflows from financing activities | 1,154,668,000 | 2,316,640,000 |
| Cash repayments of borrowings | 970,860,251 | 3,656,817,252 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 30,470,812 | 90,309,420 |
| Including: Dividends, profits paid to minority shareholders by subsidiaries | - | - |
| Other cash payments relating to financing activities | 131,069 | 432,420 |
| Sub-total of cash outflows from financing activities | 1,001,462,132 | 3,747,559,092 |
| Net Cash Flows from Financing Activities | 153,205,868 | -1,430,919,092 |
| IV. Effects of changes in Foreign Exchange Rate on Cash and Cash Equivalents | - | - |
| V. Net Increase in Cash and Cash Equivalents | 191,515,359 | 12,835,628 |
| Add: Opening balance of cash and cash equivalents | 194,272,978 | 221,115,078 |
| VI. Closing Balance of Cash and Cash Equivalents | 385,788,337 | 233,950,706 |

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

*Person-in-charge of the
accounting department:*
Yu Lan Ying

Cash Flow Statement of the Parent Company

January-March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan
Currency: RMB
Type of Audit: Unaudited

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|--|--|--|
| I. Cash Flows from Operating Activities: | | |
| Cash receipts from the sale of goods and the rendering of services | 1,697,094,820 | 1,783,575,053 |
| Other cash receipts relating to operating activities | 1,692,648 | 5,528,820 |
| Sub-total of cash inflows from operating activities | 1,698,787,468 | 1,789,103,873 |
| Cash payments for goods purchased and service received | 500,661,005 | 720,255,157 |
| Cash payments to and on behalf of employees | 136,054,791 | 127,934,636 |
| Taxes payment | 295,143,539 | 169,390,382 |
| Other cash payments relating to operating activities | 13,849,501 | 12,001,547 |
| Sub-total of cash outflows from operating activities | 945,708,836 | 1,029,581,722 |
| Net cash flows from Operating Activities | 753,078,632 | 759,522,151 |
| II. Cash Flows from Investing Activities: | | |
| Cash receipts from disposals of investments | 251,000,000 | 674,000,000 |
| Cash receipts from investment income | 18,535,288 | 26,034,962 |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 99,000 | 2,000 |
| Sub-total of cash inflows from investing activities | 269,634,288 | 700,036,962 |

| Items | Amount for the Reporting Period | Amount for the corresponding period of the previous year |
|--|--|--|
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 42,504,705 | 52,384,325 |
| Cash payments for investments | 677,000,000 | 204,000,000 |
| Other cash payments relating to investment activities | 120,000,000 | 0 |
| Sub-total of cash outflows from investing activities | 839,504,705 | 256,384,325 |
| Net Cash Flows from Investing Activities | -569,870,417 | 443,652,637 |
| III. Cash Flows from Financing Activities: | | |
| Cash received from investors | - | - |
| Cash receipts from borrowings | 380,000,000 | 2,196,640,000 |
| Sub-total of cash inflows from financing activities | 380,000,000 | 2,196,640,000 |
| Cash repayments of borrowings | 570,860,251 | 3,331,817,252 |
| Cash payments for distribution of dividends or profits or settlement of interest expenses | 12,857,735 | 82,524,889 |
| Other cash payments relating to financing activities | 131,069 | 432,420 |
| Sub-total of cash outflows from financing activities | 583,849,055 | 3,414,774,561 |
| Net Cash Flows from Financing Activities | -203,849,055 | -1,218,134,561 |
| IV. Effects of Changes in Foreign Exchange Rate on Cash and Cash Equivalents | | |
| | - | - |
| V. Net Increase in Cash and Cash Equivalents | | |
| | -20,640,840 | -14,959,773 |
| Add: Opening balance of cash and cash equivalents | 98,649,203 | 121,485,890 |
| VI. Closing Balance of Cash and Cash Equivalents | | |
| | 78,008,363 | 106,526,117 |

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

Person-in-charge of the
accounting department:
Yu Lan Ying

4.2 Auditors' Report

Applicable

Not Applicable

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 29 April 2017

As at the date of this quarterly report, the Directors of the Company are:

Chang Qing, Gu Dejun, Du Wenyi, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Erzhen, Zhang Zhuting*, Chen Liang*, Lin Hui**

* *Independent Non-executive Directors*