



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)

Intelligent



Seamless

2013 INTERIM REPORT



CONTENTS

Important Notice	1
I. Definitions	2
II. Company Profile	3
III. Highlights of Accounting Data and Financial Indicators	4
IV. Report of the Directors	6
V. Significant Matters	22
VI. Changes in Share Capital and Shareholders	27
VII. Directors, Supervisors and Senior Management	30
VIII. Financial Report	31
IX. Documents Available for Inspection	111

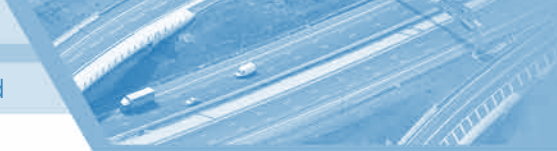
Important Notice:

1. The board of directors (the "Board"), the supervisory committee and the directors, supervisors and senior management of Jiangsu Expressway Company Limited (the "Company") warrant that there are no false representations or misleading statements contained in, or material omissions from, this report; and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the content of this report.
2. Ms. Cheng Chang Yung Tsung, Alice, a director of the Company, did not attend the Board meeting due to other business engagements and appointed Mr. Fang Hung, Kenneth, a director of the Company, to vote on her behalf; and Mr. Xu Chang Xin, an independent director of the Company, did not attend the Board meeting due to other business engagements and appointed Mr. Zhang Er Zhen, an independent director of the Company, to vote on his behalf.
3. 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 2013. The relevant financial information is prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC Accounting Standards") and is unaudited.
4. Mr. Yang Gen Lin, Chairman of the Company, Mr. Qian Yong Xiang, Director and General Manager of the Company, and Ms. Yu Lan Ying, Financial Controller of the Company, warrant the truthfulness and completeness of the financial statements in this interim report in all material respects.
5. The Board of the Company neither recommended the payment of an interim dividend for 2013, nor did the Board increase share capital by transferring reserve fund.
6. This interim report involves forward-looking statements including development strategies and future plans, which do not constitute actual commitments of the Company to investors. Investors are advised to pay attention to the investment risks involved.
7. No appropriation of funds on a non-recurring basis by the controlling shareholder and its related parties was found in the Company.
8. The Company did not provide external guarantees which were in violation of stipulated decision-making procedures.

DEFINITIONS

Unless the context otherwise requires, the following expressions contained in this report shall have the meanings as follows:

Company	Jiangsu Expressway Company Limited
Group	the Company and its consolidated subsidiaries
Controlling Shareholder	Jiangsu Communications Holdings Company Limited
China Merchants Huajian	China Merchants Huajian Highway Investment Co., Ltd.
Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd.
Jiangsu Petroleum	Jiangsu Expressway Petroleum Company
Jiangsu Sundian	Jiangsu Sundian Engineering Co., Ltd.
Guangjing Xicheng	Jiangsu Guangjing Xicheng Expressway Company Limited
Sujiahang Company	Suzhou Sujiahang Expressway Co., Ltd.
Ninghu Investment	Jiangsu Ninghu Investment Development Co., Ltd.
Ninghu Properties	Jiangsu Ninghu Properties Co., Ltd.
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd.
Kuailu Company	Jiangsu Kuailu Motor Transport Co., Ltd.
Sujiayong Company	Suzhou Sujiayong Expressway Co., Ltd.
Jiangsu Luode	Jiangsu Luode Equity Investment Fund Management Company Limited (江蘇洛德股權投資基金管理有限公司)
Far East Shipping	Jiangsu Far East Shipping Co., Ltd.
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
G312	Shanghai-Nanjing Section of G312
Nanjing-Lianyungang Highway	Nanjing Section of Nanjing-Lianyungang Highway
Guangjing Expressway	The north connection of Jiangyin Yangtze Bridge, Guangling-Jingjiang Section
Xicheng Expressway	The south connection of Jiangyin Yangtze Bridge, Jiangyin-Wuxi Section
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Bank of Jiangsu	Bank of Jiangsu Co., Ltd.
Reporting Period	the period from 1 January 2013 to 30 June 2013
YOY	as compared with the same period of 2012
CSRC	China Securities Regulatory Commission
SFC	Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	level-1 depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	listing rules of the SSE and/or the Stock Exchange
Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	"Accounting Standards for Business Enterprises of the People's Republic of China 2006"
Deloitte	Deloitte Touche Tohmatsu Certified Public Accountants LLP



COMPANY PROFILE

1. Company information

Statutory Name of the Company in Chinese and English	江蘇寧滬高速公路股份有限公司 Jiangsu Expressway Company Limited
Abbreviation of Chinese Name and English Name	寧滬高速 Jiangsu Expressway
Legal Representative of the Company	Yang Gen Lin

2. Contact person and contact information

	Secretary to the Board/Company Secretary	Securities Officers
Name	Yao Yong Jia	Jiang Tao, Lou Qing
Address	6 Xianlin Avenue, Nanjing, Jiangsu, the PRC	
Telephone	8625-8446 9332	8625-84362700-301835, 301836
Fax	8625-8446 6643	
Email Address	nhgspublic@nhgs.cn	

3. Basic information

Registered Office and Place of Business	6 Xianlin Avenue, Nanjing, Jiangsu, the PRC
Postcode	210049
Website of the Company	http://www.jsexpressway.com
Email Address of the Company	nhgspublic@nhgs.cn

4. Information disclosure and place for inspection

Newspapers for Information Disclosure	Shanghai Securities News, China Securities Journal
Website Designated for Information Disclosure	www.sse.com.cn , www.hkexnews.hk , www.jsexpressway.com
Regular Reports Available at	<ul style="list-style-type: none"> Shanghai Stock Exchange, 528 Pudong Road South, Shanghai, the PRC Hong Kong Registrars Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong Reed Smith Richards Butler, 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong Jiangsu Expressway Company Limited, 6 Xianlin Avenue, Nanjing, Jiangsu, the PRC

5. Information of the Company's shares

Type of shares	Stock Exchanges where the Company's shares are listed	Stock name	Stock code
A Shares	Shanghai Stock Exchange	寧滬高速	600377
H Shares	The Stock Exchange of Hong Kong Limited	Jiangsu Expressway	00177
ADR	The United States of America	JEXWW	477373104

6. Information of the Company's registration

Date of the Registration	1 August 1992
Place of the Registration	Shengzhou Road, Nanjing, Jiangsu Province
SAIC Registration Number of the Company	320000000004194
Tax Registration Number of the Company	320003134762764
Company Organization Code	13476276-4

HIGHLIGHTS OF ACCOUNTING DATA AND FINANCIAL INDICATORS

1. Major accounting data

Unit: RMB'000

	The reporting period (January-June 2013)	The corresponding period of the previous year (January-June 2012)	Increase/decrease of the reporting period as compared to the corresponding period of the previous year (%)
Operating income	3,668,473	3,729,356	-1.63
Net profit attributable to equity holders of the Company	1,435,272	1,260,780	13.84
Net profit attributable to equity holders of the Company after non-recurring profit or loss	1,370,124	1,264,834	8.32
Net cash flow from operating activities	1,486,120	1,464,166	1.50
			Increase/decrease of the end of the reporting period as compared to the end of the previous year (%)
	As at the end of the reporting period	As at the end of the previous year	
Net assets attributable to equity holders of the Company	18,299,437	18,688,862	-2.08
Total Assets	26,406,016	25,849,258	2.15



HIGHLIGHTS OF ACCOUNTING DATA AND FINANCIAL INDICATORS

2. Major financial indicators

	The reporting period (January-June 2013)	The corresponding period of the previous year (January-June 2012)	Increase/decrease of the reporting period as compared to the corresponding period of the previous year (%)
Basic earnings per share (<i>RMB/share</i>)	0.28	0.25	13.84
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	N/A
Basic earnings per share after non-recurring profit/loss (<i>RMB/share</i>)	0.27	0.25	8.32
Weighted average return on net assets (%)	7.40	6.71	Increased by 0.69 percentage point
Weighted average return on net assets after non-recurring profit/loss (%)	7.07	6.73	Increased by 0.34 percentage point

3. Non-recurring profit/loss and the amounts

Unit: RMB'000

Item	January-June 2013	Notes
Gain (loss) from disposal of non-current assets	88,747	Mainly represents the gain from disposal of Zhenjiang branch of Shanghai-Nanjing Expressway (Jiangsu Section).
Gain from disposal of available-for-sale financial assets	2,216	Gain from short-term wealth management of the Company's funds
Gain (loss) from change in fair value	670	
Except for the above items, other non-operating income and expenses, net	-4,959	
Effects of income tax	-21,501	
Effects of minority interests' profit/(loss)	-25	
Total	65,148	

REPORT OF THE DIRECTORS

I. Discussion and Analysis on the Overall Operating Performance during the Reporting Period

(I) Business Review and Analysis of Operations

1. Business Overview

The Group is principally engaged in the investment, construction, operation and management of toll roads and bridges in the Jiangsu Province as well as ancillary services at service areas along such roads. The Group is also actively exploring and venturing into new business fields, such as property investment and development, distribution of advertising media along expressways and other financial and industrial investment with the aim to find new revenue growth opportunities and achieve the sustainable development of the Group.

In the first half year of 2013, the Group realized total operating revenues of approximately RMB3,668,473,000, down by approximately 1.63% year-on-year. In particular, toll revenue amounted to approximately RMB2,560,238,000, staying basically flat as compared to the corresponding period of 2012; revenue from ancillary services amounted to approximately RMB1,047,389,000, down by approximately 9.10% year-on-year; revenue from property sales amounted to approximately RMB41,707,000 (corresponding period of 2012: nil); and revenue from advertising and other non-core operations amounted to approximately RMB19,139,000, up by approximately 5.12% year-on-year. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB1,834,561,000 during the Reporting Period, representing a year-on-year increase of approximately 7.94%. Net profit attributable to equity holders of the Company was approximately RMB1,435,272,000 and earnings per share was approximately RMB0.28, representing a year-on-year increase of approximately 13.84%. The development and operating performance of each business are set out as follows:

2. Toll road and bridge operations

In the first half of the year, although the year-on-year GDP growth of both China and Jiangsu Province fell slightly to 7.6% and 9.6% respectively, the overall economic operation was stable. As a result, the traffic volumes on the Group's roads and bridges were relatively stable. In particular, the truck traffic volume, which decreased in the previous year as a whole, saw a satisfactory recovery in the first half of the year, growing at almost the same pace as that of passenger vehicles. The proportions of passenger vehicle and truck traffic volumes stayed flat as compared to the corresponding period last year.

As to toll revenue, the toll-free passage for small passenger vehicles on major holidays was the biggest factor affecting the revenue from toll road and bridge operations in the first half of the year. During the Reporting Period, due to the toll-free passage during the three major holidays (i.e., Spring Festival, Qingming Festival and May Day) totaling 13 days, the Group's actual toll revenue amounted to approximately RMB40,360,000, decreasing by RMB107,040,000 as compared to the same period last year, which accounted for approximately 4.18% of the Group's total toll revenue for the first half of the year. Although being affected by the toll-free policy, the traffic volumes (especially truck traffic volume) were satisfactory in the first half of the year, which covered part of the loss in toll revenue. During the Reporting Period, the Group realized a toll revenue of approximately RMB2,560,238,000, basically flat as compared to the corresponding period of 2012. Toll revenue accounted for approximately 69.79% of the Group's total operating income, up by approximately 1.17 percentage points year-on-year. As there was still a significant shortfall between toll revenue affected by the toll-free policy and the growth in traffic volumes, the revenue per vehicle for each road declined to various degrees.



REPORT OF THE DIRECTORS

Operating performance of roads and bridges in the first half of 2013 is as follows:

Road/Bridge	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	Reporting Period	Corresponding period of the previous year	Change %	Reporting Period	Corresponding period of the previous year	Change %
Shanghai-Nanjing Expressway	71,682	66,265	8.18	11,972.1	11,756.3	1.84
Shanghai-Nanjing Section of G312	8,967	19,381	-53.73	141.4	293.7	-51.87
Nanjing Section of Nanjing-Lianyungang Highway	4,769	4,336	9.98	91.5	89.3	2.48
Guangjing Expressway	51,437	48,354	6.37	688.3	700.6	-1.76
Xicheng Expressway	54,613	50,925	7.24	1,251.6	1,220.1	2.58
Jiangyin Yangtze Bridge	61,146	57,067	7.15	2,363.0	2,329.2	1.45
Sujiahang Expressway	46,248	40,840	13.24	2,693.6	2,535.2	6.25

Proportion of average daily traffic volume of passenger vehicles/ trucks on our roads and bridges in the first half of the year

Road/Bridge	Vehicle type	Average daily traffic volume of passenger vehicles/ trucks (vehicle/day)				Year-on-year change	Average daily full-trip revenue per vehicle (RMB/day)		
		Reporting Period		Corresponding period of the previous year			Reporting Period	Corresponding period of the previous year	Change
		Traffic volume	Proportion	Traffic volume	Proportion				
Shanghai-Nanjing Expressway	Passenger vehicles	52,645	73.44%	48,640	73.40%	8.23%	167.0	177.4	-5.86%
	Trucks	19,037	26.56%	17,625	26.60%	8.01%			
Shanghai-Nanjing Section of G312	Passenger vehicles	5,389	60.10%	12,001	61.92%	-55.09%	15.8	15.2	3.95%
	Trucks	3,578	39.90%	7,380	38.08%	-51.53%			
Nanjing Section of Nanjing-Lianyungang Highway	Passenger vehicles	2,639	55.33%	2,390	55.11%	10.41%	19.2	20.6	-6.80%
	Trucks	2,130	44.67%	1,946	44.89%	9.46%			
Guangjing Expressway	Passenger vehicles	37,665	73.23%	35,471	73.36%	6.19%	13.4	14.5	-7.59%
	Trucks	13,772	26.77%	12,883	26.64%	6.89%			
Xicheng Expressway	Passenger vehicles	41,219	75.48%	38,478	75.56%	7.12%	22.9	23.9	-4.18%
	Trucks	13,394	24.52%	12,447	24.44%	7.61%			
Jiangyin Yangtze Bridge	Passenger vehicles	44,892	73.42%	42,399	74.30%	5.88%	38.6	40.8	-5.39%
	Trucks	16,254	26.58%	14,668	25.70%	10.81%			
Sujiahang Expressway	Passenger vehicles	28,945	62.59%	25,962	63.57%	11.49%	58.2	62.1	-6.28%
	Trucks	17,303	37.41%	14,879	36.43%	16.30%			

REPORT OF THE DIRECTORS

In terms of the operating performance of various items set out in the table, in the first half of the year, the average daily traffic volume of Shanghai-Nanjing Expressway increased by approximately 8.18% year-on-year, with similar growth rates in the traffic volumes of passenger vehicles and trucks. Compared to the corresponding period of the previous year, the truck traffic volume picked up noticeably (the truck traffic volume of the Shanghai-Nanjing Expressway saw a year-on-year decrease of 2.43% in the first half of 2012 and a year-on-year decrease of 0.57% in 2012). Despite being affected by the toll-free passage for small passenger vehicles during the three major holidays (i.e., Spring Festival, Qingming Festival and May Day), the Group still achieved a 1.84% increase in average daily toll revenue, mainly attributable to the increase in traffic volumes, especially in truck traffic volume. The ETC traffic volume still maintained a rapid growth rate. During the Reporting Period, the ETC average daily traffic volume of the Shanghai-Nanjing Expressway reached 13,677 vehicles, up by approximately 29.33% year-on-year and accounting for approximately 19.08% of its average daily traffic volume, and the ETC average daily revenue amounted to approximately RMB2,169,400, up by approximately 33.24% year-on-year and accounting for approximately 18.18% of its toll revenue.

Except for G312, the traffic volumes of other roads and bridges were satisfactory, with growth rates in truck traffic volumes slightly exceeding those in passenger vehicle volumes and vehicle mix basically remaining stable as compared to the corresponding period of the previous year. However, due to the impact of toll-free passage for small passenger vehicles on major holidays, the growth rate of toll revenue was lower than that of traffic volumes, which led to some decrease in revenue per vehicle.

Since the removal of two toll stations and two toll points on 15 July 2012, the performance of the Shanghai-Nanjing Section of G312 declined sharply, with average daily traffic volume and toll revenue decreasing by 53.73% and 51.87% year-on-year respectively. The government of Jiangsu Province has granted approval to the compensations for losses resulting for the removal according to the audited net assets in relation to the toll collection rights at the end of 2012, the specific compensation plan is still being discussed and drafted.

3. Ancillary Services

Ancillary services including petroleum product sales, food and beverage, retail sales of goods and other related operations were provided at the six service areas along the Shanghai-Nanjing Expressway. The change in ancillary services revenue was mainly attributable to a change in customer flow volume at the service areas and this was closely related to the change in Shanghai-Nanjing Expressway's traffic volume.

In the first half of 2013, the Group's revenue from ancillary services amounted to approximately RMB1,047,389,000, down by approximately 9.10% over the corresponding period of the previous year. Of such revenue, sales of petroleum products amounted to approximately RMB954,326,000, representing a decrease of approximately 9.91% year-on-year and accounting for approximately 91.11% of the total revenue from ancillary services. Due to the implementation of the National IV standard for vehicle-use gasoline at the services areas under relevant environmental requirements from the beginning of this year, petroleum products sold at the services areas lost the price advantage as compared to circumjacent provinces, leading to a year-on-year decrease of approximately 8.58% in the sales volume of the petroleum products in the first half of the year. Meanwhile, the average selling price of petroleum products saw a slight year-on-year increase as a result of downward price adjustment in the first half of the year. Revenue from other businesses including food and beverage, retail sales of goods and hindrance clearance services amounted to approximately RMB93,063,000, representing a modest increase of approximately 0.12% over the corresponding period of the previous year.



REPORT OF THE DIRECTORS

4. Real Estate Development and Sale Business

The State's control policies including the "State Council's Five New Measures To Enhance Regulation of Property Market" (新國五條) and the detailed implementing rules introduced successively in the first half of the year continued to shock the real estate market. Against such backdrop, the Company's subsidiary Ninghu Properties kept enhancing its planning and design and development and sales capacities and pushed forward the "One City" series products in an all-round way, while keeping a close eye on land market dynamics with a view to seize good opportunities to increase its land reserves. In the first half of the year, the Group's real estate business segment purchased land of 30,664.5 square meters for reserves at the transaction price of approximately RMB551,960,000. A total of approximately RMB149,918,000 was invested in the developed projects, and proceeds from pre-sale amounted to approximately RMB69,166,000, with recognized sales revenue amounting to approximately RMB41,707,000. As only the remaining housing units of Lot C4 in the core commercial area of Huaqiao were delivered to buyers in the first half of the year, and the pre-sale of other projects incurred certain selling expenses, Ninghu Properties recorded a loss of approximately RMB2,620,000 for the Reporting Period.

As to land reserves, Ninghu Properties took part in the auction of Plot 2013-G-25 in Suzhou on 21 June 2013 and acquired the land use right of that plot at the upset price. The plot, with a site area of 30,664.5 square meters and a floor area ratio of 2.0, was acquired at a consideration of approximately RMB551,960,000, representing a floor price of approximately RMB9,000 per square meter. The plot is situated at the south side of the Nanmen Road, Gusu District and is for residential and commercial purposes.

The current status of other projects under development is as follows:

The "Hongqiao Mansion" project on Lot C4 in Huaqiao: 6 shops were pre-sold in the first half of the year and an aggregate of 420 residential suites and 3 shops delivered to buyers as at 30 June 2013.

The "Regal Royale" five-star hotel project on Lot C5 in Huaqiao: pile foundation construction and relevant inspection were completed in the first half of the year.

The "Pujiang Building" project on Lot C7 in Huaqiao: the final interior decoration and ancillary construction works are underway, and the Company is looking for big buyers to sell the entire building as a whole.

The "Guangming Mansion" (光明捷座) project on Lot B4 in Huaqiao: construction of the main structure is underway, and pre-sale activities for the 344 suites commenced on 28 June 2013; up to now, 68 suites have been subscribed for.

All construction works of the "Qingyuan" project in Suzhou were completed, and inspection for acceptance and the finishing-off work are underway. As the project has been significantly affected by the house-purchase restrictions, the Company will directly commence the sale of ready-for-delivery apartments after the completion inspection and acceptance is finished in September 2013.

As to "Shijia, One City" (同城世家), the Lot B Phase I Project in Jurong, the inspection for acceptance for the main structure was completed, and 124 suites were offered for sale on 15 March 2013. Up till now, the pre-sale activities are well underway, with 60 suites being reserved and sales contracts for 42 suites having been entered into.

5. Advertising and Other Businesses

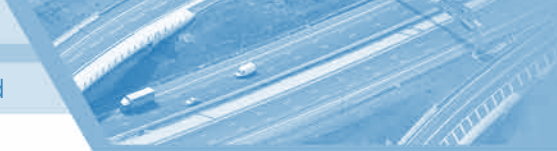
Other businesses of the Company mainly comprise advertisement operations by Ninghu Investment and its other subsidiaries and property services provided by Ninghu Properties. In the first half of 2013, the revenue from advertising and other business of the Group amounted to RMB19,139,000, representing a year-on-year increase of approximately 5.12%. Among which, revenue from advertisement operations was approximately RMB17,824,000, representing a slight year-on-year increase of 0.16%; revenue from property service fees and lease of commercial properties was approximately RMB1,315,000, representing a year-on-year increase of approximately 218.91%, which was mainly attributable to the rental income from the lease of commercial properties in Kunshan by Ninghu Investment, and the property management income realized as a result of management and operation of residential properties delivered by Ninghu Properties.

REPORT OF THE DIRECTORS

II. Financial Analysis

1. Analysis of changes in relevant items in financial statements

Item	Current period (RMB'000)	Corresponding period of last year (RMB'000)	Changes (%)	Remarks on such change
Operating revenue	3,668,473	3,729,356	-1.63	Revenue from toll road operations basically remained unchanged during the reporting period, while revenue from ancillary business decreased by 9.1% year-on-year, which resulted in a slight year-on-year decrease in the operating revenue of the Group.
Operating costs	1,720,193	1,808,823	-4.90	Upon completion of the removal of assets of the two toll stations and two toll points on G312, the costs on depreciation and amortization among operating costs of the toll road operations decreased by approximately 7.24% year-on-year during the reporting period. And the procurement cost decreased due to lower sales volume of petroleum products of ancillary businesses. All this led to a year-on-year decrease in operating costs.
Selling expenses	4,205	1,074	291.53	The commencement of pre-sale of various property projects of Ninghu Properties resulted in a material year-on-year increase in selling expenses.
Administrative expenses	78,293	76,404	2.47	The year-on-year increase in administrative expenses was mainly due to higher labor costs and other factors.
Financial expenses	118,323	152,218	-22.27	The Company achieved a substantial year-on-year decrease in fund use costs by reducing interest-bearing debts and adjusting the structure of interest-bearing debts during the reporting period.
Net cash flow from operating activities	1,486,120	1,464,166	1.50	
Net cash flow from investing activities	314,657	-1,577,513	—	Compared to the same period of last year, the Company's cash flow to external investment decreased while there was a general year-on-year increase in net cash from disposal of investment, gain on investment and cash earned from disposal of non-current assets.
Net cash flow from financing activities	-923,182	87,307	—	The Company used the net cash flow from operating activities to repay certain interest-bearing debts during the reporting period, therefore there was a considerable amount of cash outflow from financing activities.



REPORT OF THE DIRECTORS

2. Business Classifications

In the first half of 2013, the Group recognized aggregate operating revenue of approximately RMB3,668,473,000, representing a decrease of approximately 1.63% as compared to the corresponding period in 2012. Operating costs amounted to approximately RMB1,720,193,000 in aggregate, representing a decrease of approximately 4.90% as compared to the corresponding period in 2012. The decrease rate of revenue was lower than that of costs, leading to an increase of approximately 1.61 percentage points in the Group's consolidated gross profit margin. The structures of revenues and costs are set out below:

Item	Operating revenue		Operating cost		Gross profit margin (%)	
	The first half of 2013 (RMB'000)	Year-on-year increase/decrease (%)	The first half of 2013 (RMB'000)	Year-on-year increase/decrease (%)	The first half of 2013 (%)	Year-on-year increase/decrease (%)
Toll roads	2,560,238	0.05	663,083	-3.55	74.10	Increased by 0.97 percentage points
Shanghai-Nanjing Expressway	2,166,952	1.28	491,513	5.75	77.32	Decreased by 0.96 percentage points
Shanghai-Nanjing Section of G312	25,588	-52.14	67,337	-40.30	-163.16	Decreased by 52.17 percentage points
Nanjing Section of Nanjing- Lianyungang Highway	16,568	1.92	8,477	7.13	48.83	Decreased by 2.49 percentage points
Guangjing Xicheng Expressway	351,130	0.45	95,756	-6.13	72.73	Increased by 1.91 percentage points
Ancillary services	1,047,389	-9.10	1,019,675	-8.61	2.65	Decreased by 0.51 percentage points
Property sales	41,707	—	31,344	—	24.85	—
Advertising and others	19,139	5.12	6,091	9.78	68.18	Decreased by 1.35 percentage points
Total	3,668,473	-1.63	1,720,193	-4.90	53.11	Increased by 1.61 percentage points

3. Operating Activities by Geographical Areas

Geographical area	Operating revenue (RMB'000)	Year-on-year increase/decrease (%)
Jiangsu Province	3,668,473	-1.63

REPORT OF THE DIRECTORS

4. Structures of Costs

During the reporting period, aggregated operating costs amounted to approximately RMB1,720,193,000, representing a decrease of approximately 4.90% year-on-year. The structures of costs of each business category are set out below:

Item of operating costs	Reporting period (RMB'000)	Percentage (%)	Same period of the previous year (RMB'000)	Percentage (%)	Year-on-year increase/decrease (%)
Operating costs of the toll road operations					
Depreciation and amortization	663,083	38.55	687,516	38.01	-3.55
Costs on toll collection operation	423,961	24.65	457,044	25.27	-7.24
Costs on roads and bridges maintenance	56,042	3.26	58,988	3.26	-4.99
Costs on system maintenance	28,183	1.64	27,739	1.53	1.60
Labor costs	9,188	0.53	8,009	0.44	14.72
Costs on ancillary businesses	145,709	8.47	135,736	7.51	7.35
Raw materials	1,019,675	59.28	1,115,759	61.68	-8.61
Depreciation and amortization	955,511	55.55	1,054,433	58.29	-9.38
Labor costs	10,450	0.61	10,355	0.57	0.92
Other costs	41,094	2.39	38,268	2.12	7.38
Costs on property sales business	12,620	0.73	12,703	0.70	-0.66
Costs on advertising and other business	31,344	1.82	0	0	—
	6,091	0.35	5,548	0.31	9.78
Total	1,720,193	100	1,808,823	100	-4.90

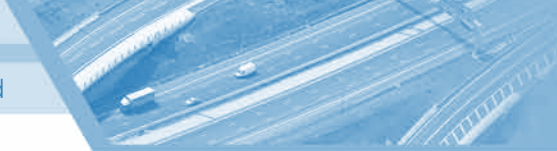
* Upon completion of the removal of assets of the two toll stations and two toll points on G312, the costs on depreciation and amortization among operating costs of the toll road operations decreased by approximately 7.24% year-on-year during the reporting period.

* As a result of the modernization renovation of communication, toll collection, monitoring and other systems, the costs on system maintenance increased by approximately 14.72% year-on-year.

* Due to the increases in the total salary of employees and other social insurance costs, the labor costs of toll road operations and ancillary businesses increased by approximately 7.35% and 7.38% year-on-year, respectively.

* The cost on procurement of raw materials among costs on ancillary businesses decreased by approximately 9.38% year-on-year, due to a year-on-year decrease in the sales volume of petroleum products.

* The increase in cost on property leasing and management business during the reporting period resulted in an increase of approximately 9.78% year-on-year in costs on advertising and other business of the Company.



REPORT OF THE DIRECTORS

5. Assets and Liabilities

Item of Assets and Liabilities	As at 30 June 2013 (RMB'000)		As at 31 December 2012 (RMB'000)		Change over the beginning of the year (%)
		Percentage (%)		Percentage (%)	
Cash and bank balances	1,564,079	5.92	686,485	2.66	127.84
Accounts receivable	79,500	0.30	83,407	0.32	-4.68
Inventories	2,065,935	7.82	1,945,199	7.53	6.21
Investment properties	23,648	0.09	22,727	0.09	4.05
Long-term equity investment	3,807,491	14.42	3,777,367	14.61	0.80
Fixed assets	1,049,281	3.97	1,128,318	4.36	-7.00
Construction in progress	60,525	0.23	30,794	0.12	96.55
Short-term borrowings	3,440,000	13.03	2,550,000	9.86	34.90
Long-term borrowings	352,197	1.33	453,360	1.75	-22.31
Shareholders' equity attributable to equity holders of the Company	18,299,437	69.30	18,688,862	72.30	-2.08
Minority interests	487,026	1.84	466,614	1.81	4.37
Total Assets	26,406,016	100	25,849,258	100	2.15
Total assets gearing ratio	28.86%	—	25.90%	—	Increased by 2.96 percentage points
Net assets gearing ratio	40.56%	—	34.94%	—	Increased by 5.62 percentage points

* Calculation basis for the total assets gearing ratio: liabilities/total assets;

Calculation basis for the net assets gearing ratio: liabilities/shareholders' equity.

* Cash and bank balances increased by 127.84% as compared to the beginning of the year, mainly due to the amounts reserved by the Company to purchase shares under the non-public issue of the Bank of Jiangsu in the amount of RMB1 billion.

* Construction in progress increased by 96.55% as compared to the beginning of the year, mainly attributable to construction of the lighting project and toll station renovation project on Shanghai-Nanjing Expressway.

* Short-term borrowings increased by 34.90% as compared to the beginning of the year, mainly because the Company increased bank loans in order to satisfy its requirement for short-term working capital.

* Long-term borrowings decreased by 22.31% as compared to the beginning of the year, mainly due to that the Company successively repaid matured long-term borrowings during the reporting period.

REPORT OF THE DIRECTORS

6. Asset liquidity and financial resources

During the reporting period, gross cash inflow from the Group's operating activities amounted to approximately RMB3,989,950,000, and net cash inflow from operating activities amounted to approximately RMB1,486,120,000, representing a year-on-year increase of approximately 1.5%. The total assets gearing ratio stood at around 28.86%, representing an increase of 2.96 percentage points from the beginning of the period and remaining at a relative reasonable level; and the book value of bank balances and cash amounted to approximately RMB1,564,079,000. Moreover, as at 30 June 2013, the unutilized credit facilities from banks amounted to approximately RMB5,853 million. As such, the management believes that the Group does not have any cash liquidity problem.

As at 30 June 2013, cash and cash equivalents and loans were as indicated in the table below:

Item	As at 30 June 2013 The Group (RMB'000)	As at 31 December 2012 The Group (RMB'000)
Cash and cash equivalents		
Cash on hands	357	400
Bank deposits	1,533,170	654,250
Other cash and bank balances	30,552	31,835
Total:	1,564,079	686,485
Loans		
Short-term bank loan	3,440,000	2,550,000
Long-term loans due within one year	1,531	1,201,557
Short-term private placement bonds	500,000	1,000,000
Long-term bank loans	352,197	453,360
Bonds payable	989,684	496,482
Total	5,283,412	5,701,399



REPORT OF THE DIRECTORS

7. Financial Strategy and Financing Arrangement

During the reporting period, the Company actively expanded its financing channels and adjusted its debt structure. The total direct financing amount for the first half of the year amounted to RMB1 billion, which could satisfy the fund demands of operation management and project investment and effectively reduced financing costs. In the first half of 2013, the Company's consolidated borrowing cost of interest-bearing liabilities was approximately 4.89%, down 0.71 percentage point from the same period last year and approximately 1.22 percentage points lower than the bank lending interest rate for the same period. In the first half of the year, the Company's major financing activities are as follows:

Financing category	Financing date	Product term	Financing Amount (RMB100 million)	Issuing interest rate (%)	Prevailing bank benchmark rate (%)	Decrease in financing costs (%)
Private placement bonds	3 May 2013	6 months	5	4.3	5.6	23.21
Medium-term notes	21 June 2013	5 years	5	4.98	6.4	22.19

8. Capital expenditures

From January to June 2013, the Group's planned capital expenditures actually incurred amounted to approximately RMB43,218,000, representing a significant decrease of approximately 97.23% from the same period last year, which was mainly because the Company's capital expenditures for equity investment was very large in the same period last year. During the reporting period, the Group's implemented capital expenditure projects are as follows:

Capital Expenditure Project	RMB'000
Equity investment in Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)	5,850
Final payment of the expansion works of Shanghai-Nanjing Expressway	3,281
Lighting engineering project of Shanghai-Nanjing Expressway	14,477
Renovation of toll collection points and service areas of Shanghai-Nanjing Expressway	13,326
Renovation of toll collection points and service areas of Guangjing Xicheng Expressway	4,734
Other construction in progress and equipment	1,550
Total	43,218

9. Credit policy

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determining the credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is 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 impairment losses are made for irrecoverable amount. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

REPORT OF THE DIRECTORS

10. Foreign exchange risks

The Group operates its businesses principally in the PRC. No major foreign exchange risks are involved as the Company's revenues from operations and capital expenditures are all settled in Renminbi, except for dividend payments for H shares. A loan of USD9,800,000 was secured from the Spanish Government in 1998 and will be due on 18 July 2027. As at 30 June 2013, the balance of the loan was approximately RMB23,728,000 after conversion from US dollars, against which no foreign exchange hedge was made. Fluctuations in exchange rates will not have any material impact on the Company's results.

11. Contingent liabilities

Ninghu Properties, a subsidiary of the Company provided guarantees with liabilities to banks for mortgage loans granted to flat buyers according to the common practice of the property industry. The liabilities began from the date on which the guarantee contract come into effect and will end on the date when the buyers complete the registration of the mortgages for the purchased properties and the housing charge certificates of the properties are passed to the banks. As at 30 June 2013, the outstanding guarantees amounted to approximately RMB17,027,000 (30 June 2012: RMB35,710,000).

12. Pledge of assets

Guangjing Xicheng, a subsidiary of the Company, obtained a commercial bank loan (balance: RMB330,000,000 as at 30 June 2013) by means of pledging its toll collection right, for a term commencing from 28 June 2012 and expiring on 28 June 2017. As at 30 June 2013, the net carrying value of such pledged assets were approximately RMB1,539,000,000.

13. Trust deposits

As at 30 June 2013, the Company did not have any trust deposits with any financial institutions in the PRC or any fixed term deposits which were irrecoverable upon their maturity.

14. Trust loans

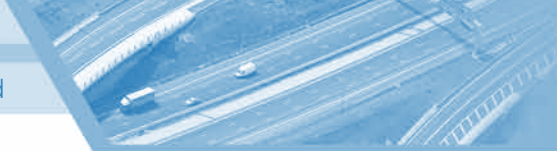
During the reporting period, the Company secured a loan of RMB190,000,000 from its connected company, Far East Shipping, by way of a trust loan with a term of one year and at an annual interest rate of 6%. As at 30 June 2013, the balance of the Company's trust loans from Far East Shipping amounted to RMB190,000,000.

III. Analysis of Investment of the Company

(I) Progress of investment projects

The Board of the Company considered and approved in June 2011 the new investment project of the Kunshan-Wujiang section of the Changshu-Jiaxing Expressway, which is held as to 30% by the Company. The total investment of the Company in the project will not exceed RMB500 million. As at the end of the reporting period, upfront work for the Changshu-Jiaxing Expressway including the relevant examination and approval procedure and project bidding process were already completed. Temporary facilities on construction sites are being built and project construction is soon to be in full swing.

The Board of the Company considered and approved in October 2012 the new investment project of the Zhenjiang-Danyang Expressway, which is held as to 70% by the Company. The total investment of the Company in the project will not exceed RMB400 million. As at the end of the reporting period, the relevant examination and approval formalities for the Zhenjiang-Danyang Expressway construction project are still in process.



REPORT OF THE DIRECTORS

(II) External equity investment

In order to find new profit generating sources and promote the implementation of the Company's development strategy, the seventh session of the Board of the Company considered and approved at its 7th meeting the Company's participation in the share capital enlargement of the Bank of Jiangsu by investing RMB1 billion to acquire 200,000,000 shares to be issued by the Bank of Jiangsu in its non-public private placement at RMB5 per share, representing approximately 1.92% of the enlarged share capital of Bank of Jiangsu. The equity investment in the Bank of Jiangsu is a helpful attempt made by the Company to explore the financial sector and is in line with the Company's strategy for proper increase in investment in fields other than principal business operations. Meanwhile, the strong profitability of the Bank of Jiangsu and future capital gains potentials will also boost steady profit growth for the Company. As at the disclosure date of this report, the share capital enlargement of the Bank of Jiangsu was approved by the relevant authority and the procedure for change in registration details was completed. The equity investment agreement entered into by the Company and the Bank of Jiangsu officially came into effect on 13 August 2013.

(III) Equity investment in financial enterprises

In order to expand the business scope, according to the requirement of the Company's "Twelfth Five-year" Plan, the Company's subsidiary Ninghu Investment, in partnership with legal persons and natural persons including Suzhou Investment Co., Ltd. and Hongyuan Huizhi Investment Co., Ltd. (宏源匯智投資有限公司), established the Jiangsu Luode Equity Investment Fund Management Co., Ltd. ("Jiangsu Luode") by means of promotion. Jiangsu Luode has a registered capital of RMB30 million to be contributed by two installments. The first installment of RMB15 million was already received, out of which RMB5,850,000 was from Ninghu Investment, representing 39% of the equity interest. Jiangsu Luode was approved on 14 May 2013 for registration with the industry and commerce authority with a business scope primarily covering issue and management of property investment fund, and its business scope includes entrusted management of private equity investment fund, investment management and relevant consulting services as well as entrusted assets management.

Name of investee	Initial investment amount (RMB'000)	Shareholding	Shareholding at the end of the period	Book value at the end of the period (RMB'000)	Profit or loss during the reporting period (RMB'000)	Changes	Accounting item	Source of shares
		at the beginning of the period				in owners' equity during the reporting period (RMB'000)		
Jiangsu Luode Equity Investment Fund Management Co., Ltd.	5,850	39%	39%	5,850	0	15,000	Long-term equity investment	Established by means of promotion

REPORT OF THE DIRECTORS

(IV) Analysis of Major Subsidiaries and the Companies in which the Company has equity investment

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 assets (RMB'000)	Net profit (RMB'000)	Percentage over the Company's net profit (%)	Year-on-year increase/decrease in net profit (%)
Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Construction, management, maintenance and toll collection of Guangjing Expressway and Xicheng Expressway in Jiangsu	2,125,000	85	3,924,356	3,170,770	257,478	17.46	46.84
Jiangsu Ninghu Investment Development Co., Ltd.	Investment in various infrastructure, industrial and assets investment	95,000	95	300,740	283,484	8,579	0.58	28.47
Jiangsu Ninghu Properties Co., Ltd.	Development and operation and consultancy of properties	500,000	100	2,267,020	520,354	-2,620	—	-40.32

* During the Reporting Period, Guangjing Xicheng realized an operating income of approximately RMB364,617,000, a slight increase of approximately 0.35% year-on-year and accumulated operating costs of approximately RMB108,800,000, a year-on-year decline of approximately 6.15%. As Guangjing Xicheng had a direct stake in Yanjiang Company during the Reporting Period, given the income from investment contributed by Yanjiang Company and the dividends distributed from financial leasing, the income from investment recorded during the Reporting Period was RMB97,419,000, approximately 11.78 times the amount in the same period of the previous year. Owing to the combination of the aforesaid factors, the net profit of Guangjing Xicheng in the first half increased by approximately 46.84% year-on-year to RMB257,478,000.

* The book value of net profit of Ninghu Investment increased approximately 28.47% year-on-year, mainly because of the increase in the fair value of held-for-trading financial assets during the Reporting Period.

* Please refer to the section headed "Business Review and Analysis of Operations" in this report for the operating status and change in results of Ninghu Properties.



REPORT OF THE DIRECTORS

2. Operations of Major Associates

In the first half of 2013, the Group's investment income amounted to approximately RMB181,601,000, which accounted for 12.32% of the Group's net profit and represented a 76.01% year-on-year increase. The increase was mainly attributable to the income from investment contributed by Yanjiang Company, in which Guangjing Xicheng, a subsidiary of the Company, had equity investment, as well as the dividends distributed from financial leasing. Operating results of major companies in which the Group had equity investments are as follows:

Company name	Principal business	Investment cost (RMB'000)	Equity interest attributable to the Company (%)	Net profit (RMB'000)	Investment income contribution (RMB'000)	Percentage over the Company's net profit (%)	Change year-on-year (%)
Suzhou Sujiahang Expressway Co., Ltd.	Management and operation of the Jiangsu Section of Sujiahang Expressway	526,091	33.33	142,390	47,459	3.22	12.97
Jiangsu Kuailu Motor Transport Co., Ltd.	Road transportation, automobile repair and sales of automobiles and automobile parts and components	49,900	33.2	-1,611	-1,479	-0.10	-29.13
Jiangsu Yangtze Bridge Co., Ltd.	Mainly engaged in the management and operation of Jiangyin Yangtze Bridge	631,159	26.66	134,994	35,989	2.44	-27.29
Jiangsu Yanjiang Expressway Co., Ltd.	Mainly engaged in the management and operation of Yanjiang Expressway	1,466,200	29.81	174,746	52,852	3.58	—

* Sujiahang Expressway saw a year-on-year increase in its net profit as a result of the year-on-year increase in toll revenue boosted by increased traffic volumes, coupled with a year-on-year drop in costs. As a result, the investment income contributed by it increased by approximately 12.97% year-on-year.

* Under the impact of traffic diversions by the high-speed rail, Kuailu Company continued to record loss during the Reporting Period, but the loss recorded continued to decline year-on-year.

* Due to the dilution effect of Taizhou Bridge, which was put into operation in 2012, profit of Yangtze Bridge declined.

* During the Reporting Period, Yanjiang Expressway increased share capital and brought in new shareholders and the direct shareholding of Guangjing Xicheng, a subsidiary of the Company, in Yanjiang Expressway declined from 32.26% to 29.81%. The investment income contributed by Yanjiang Expressway was approximately RMB52,852,000 during the Reporting Period.

IV. Analysis of Core Competitiveness

The core business of the Group is licensed operation of transportation infrastructure. Our operations are located in one of the most energetic economic regions in the PRC — the Yangtze River Delta. The roads and bridges owned or invested by the Group are the key land transport corridor of the two important industrial belts along the Yangtze River and Shanghai-Nanjing in the southern part of Jiangsu, putting us in a predominant position in the expressway network in southern Jiangsu. Unique geographical advantage, quality assets network and efficient operation system are distinct core competitive edges of the Group. Despite the relative monopoly nature of licensed operation of toll highways and bridges in certain regions as the tolling right is conferred on an exclusive basis, this business segment is susceptible to policy changes. In the first half of this year, the Group's principal operating income was adversely affected by the policy of free use of highways by small passenger vehicles on major festivals and holidays. Detailed discussion about the magnitude of such influence is set out in the section headed "Business Review and Analysis of Operations".

REPORT OF THE DIRECTORS

V. Staff Salary and Training

As of 30 June 2013, the Group had a staff of 4,397 (including controlled subsidiaries), comprising 474 administrative/management staff and 3,923 operational/technical staff.

The Company adopts a position-based salary system with performance being a motivating factor. Staff salary comprises three parts, namely monthly salary, performance bonus and fringe benefits. Salaries are determined in accordance with the comprehensive performance appraisal results of each staff, with reference to the principle of "Salary by Position, Award by Performance", thereby raising the fairness and competitiveness of the salary system. In accordance with statutory regulations, the Company provides its employees with a number of social insurance schemes such as basic pension insurance, medical insurance, labor injury insurance, maternity insurance and unemployment insurance and enterprise annuity.

During the Reporting Period, the Company further reformed its remuneration system and entrusted professional organizations to assess and advise on the Company's wage band system and competency benchmark for positions, with a view to better motivating staff and widening the career paths of employees. Meanwhile, the Company also worked to provide more posts for which employees could compete. With specific requirements for diplomas and qualifications, the recruitment is open to all staff and is a platform on which qualified ordinary workers can compete for the posts. This internal recruitment was carried out by way of open competition, and was appreciated by staff.

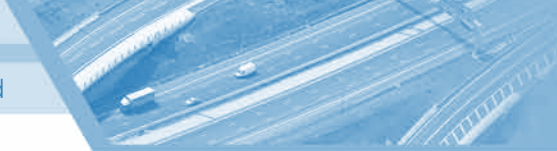
In terms of staff training, in the first half of this year, the Company organized middle managers to participate in specialized training aimed at improving their managerial skills. 34 middle managers were trained. 92 person-times of comprehensive professional training were organized for managerial staff and 44 person-times of training were organized for job transfers. The training was conducive to improving the professionalism of managerial staff and adapting transferred employees to new posts.

VI. Outlook and Plans

(I) Analysis of Operating Environment

Despite the policy of free use of highways by passenger cars on major festivals and holidays, the traffic volume of roads and toll revenue in the first half of this year were better than expected at the start of this year, laying a good foundation for meeting the full-year profit target. In the second half of this year, as economic structure adjustment centered on a new type of urbanization deepens to spur domestic demand, the macro-economic situation would enjoy steady growth and the growth momentum of traffic volume in the first half is expected to continue. Meanwhile, as the policy of free use of highways by passenger cars on major festivals and holidays was introduced during the Mid-autumn Festival and National Day holiday last year, the base for year-on-year comparison for the second half would be close to the figure of the second half. And with increasing traffic volume, the toll revenue growth in the second half would outperform that in the first half, making for a positive outlook for the operating situation.

Yet, there is still uncertainty as to the development of policy on toll roads and the clean-up of toll roads has not produced a conclusive opinion. The work on amending Regulation on the Administration of Toll Roads is still under way, which calls for the Company's close watch, analysis, prediction and taking counter measures in response to any policy change.



REPORT OF THE DIRECTORS

(II) Work Priorities in the Second Half of This Year

Contemplating the overall business environment in the second half, the Group will focus on the following work to ensure the fulfillment of full-year profit target and prepare for future strategic development.

- 1. Conduct interim review on the implementation of "Twelfth Five-Year" Plan.** The Company will analyze the detailed targets set for 2013 in the strategic plan and conduct an interim review of the progress against the "Twelfth Five-Year" Plan in an all-round way. The Company will make an objective analysis of the change in business environment and assess the reasonableness of strategic key performance indicators and effectiveness of strategic moves. The Company will make sound judgments based on the evolving operating environment and pinpoint the key strategic work to be carried out in the last 2 years in the "Twelfth Five-Year" Plan.
- 2. Consolidate the development and extension of the principal toll collection business.** The Group will pay active attention to the changes of toll road-related policies, and prepare countermeasures to relevant risks; strengthen tracking of new investment projects, monitor the investment progress of the Changshu-Jiaxing and Zhenjiang-Danyang new projects. In addition, the Group will continuously pay close attention to and study the investment opportunities in respect of expressways and other transportation infrastructure, explore and utilize expressway resources, and make due experiments and explorations on industry extension.
- 3. Push forward diversified business expansion in an orderly manner.** According to industry policies and market conditions, the Company will further adjust its development rhythm of real estate projects, keep aware of market dynamics, look for opportunities for project investments and increase the business models. The newly established fund management company will rapidly establish a sound investment decision making and risk control system and endeavor to complete the fundraising for its first real estate fund, ensuring a good beginning for the fund management company.
- 4. Press ahead with the construction and implementation of modernization and informationization.** The Company will continue to improve the modernization indicators system for the Jiangsu section of Shanghai-Nanjing Expressway. The monitoring of indicators system and satisfaction surveys would be carried out and specific safeguards and targets for the phases would be put forward. According to the design plan for improving the Shanghai-Nanjing Expressway informationization demonstration project, the Company would promptly embark on projects like revamping the computer facilities upgrading the telecommunications system and revamping the monitor center hall. The Company would work on the development and integration of sub-systems in the second half of this year to meet the informationization target for 2013.
- 5. Actively work on financing innovations to meet funding need.** The Company would use derivatives of modern finance to innovate financing means and broaden its financing platform. The Company will aim to increase the share of direct financing, reduce financing costs and secure adequate funding for the Company's strategic development.

VII. Profit Distribution and its Implementation

- 1.** During the Reporting Period, the Board of the Company neither recommended the payment of an interim dividend for the six months ended 30 June 2013 (corresponding period of 2012: Nil), nor did the Board increase share capital by transferring reserve fund.
- 2.** As approved at the 2012 annual general meeting, the Company distributed a cash dividend of RMB0.36 (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 2012, representing a payout ratio of 77.72%. Such profit distribution scheme was implemented on 10 July 2013.

SIGNIFICANT MATTERS

I. Material Litigation or Arbitration and Generally Questioned Issues by the Media

The Company or its subsidiaries were neither involved in any material litigation, arbitration or matters generally questioned by the media during the Reporting Period, nor was the Company or its subsidiaries involved in any material litigation or arbitration subsisting into the Reporting Period.

II. Bankruptcy and Restructuring

The Company was not involved in any incidents relating to bankruptcy and restructuring during the Reporting Period.

III. Asset Transactions and Consolidations

1. Capital contribution to Bank of Jiangsu by way of share capital enlargement

During the Reporting Period, the Company made a capital contribution of RMB1,000,000,000 to Bank of Jiangsu to subscribe for 200,000,000 new shares issued in the non-public private placement of Bank of Jiangsu at the price of RMB5.00 per share, representing approximately 1.92% of the enlarged share capital of Bank of Jiangsu. Please refer to the announcement of the Company on external investment published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (www.hkexnews.hk) on 14 June 2013 for details of the transaction.

2. Disposal of Zhenjiang branch of Shanghai-Nanjing Expressway

The Company held the third meeting of the seventh session of the Board on 17 August 2012 where the resolution on the disposal of the Zhenjiang branch of Shanghai-Nanjing Expressway was considered and passed, approving the disposal of the operating right of the toll roads along the 9.225km-long Zhenjiang branch of Shanghai-Nanjing Expressway and the relevant property rights to Zhenjiang Transport Bureau. The appraised net book value of relevant assets was RMB130,752,000 as at the valuation base date (being 30 June 2012) and the consideration for the disposal was RMB210,084,000. Please refer to the interim announcement of the Company published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (<http://www.hkexnews.hk>) on 10 September 2012 for details of the transaction.

As at the end of the Reporting Period, the disposal of the assets has obtained the relevant approvals from the provincial government and SASAC, the new Zhenjiang Toll Station has been put into operation and relevant supporting construction projects have been fundamentally completed. The proceeds from the disposal of Zhenjiang branch of approximately RMB88,764,000 was recognized and included in the results of the Company for the first half of this year.

IV. Implementation of Share Incentive Scheme

The Company does not implement any share incentive scheme at the moment.



SIGNIFICANT MATTERS

V. Material Related Party/Connected Transactions

(I) Continuing Related Party Transactions Relating to Day-to-Day Operation

During the Reporting Period, the continuing related party transactions relating to day-to-day operations of the Company were as follows:

1. Road Maintenance Service Contracts with Jiangsu Sundian

On 22 March 2013, the Company and its subsidiary, Guangjing Xicheng, entered into a maintenance service contract with Jiangsu Sundian Engineering Co., Ltd. ("Jiangsu Sundian") respectively in respect of the repair and maintenance services of Shanghai-Nanjing Expressway, and Guangjing Expressway and Xicheng Expressway respectively, for a term commencing on 22 March 2013 and ending on 31 December 2013. The maximum contractual maintenance service fees of the two contracts were estimated to be no more than RMB30 million and RMB23 million, respectively. Please refer to the announcement on related party transaction of the Company published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (<http://www.hkexnews.hk>) on 23 March 2013 for details of the transaction.

2. Technical Services Provided by Network Operation Company

During the Reporting Period, the Company and Guangjing Xicheng continued to perform the technical services agreement with Network Operation Company. The term of the agreement commenced on 1 January 2012 and will end on 31 December 2014. The service fee payable to Network Operation Company shall be based on the standards as approved by the Jiangsu Price Bureau. A fee standard of 0.2% was applied to toll income from highways and bridges received in cash, while 2% was applied to non-cash income. Based on the fees actually paid in 2011 and the forecast for the toll income and the toll income mix of Shanghai-Nanjing Expressway, Guangjing Expressway and Xicheng Expressway for the next three years, it is estimated that the maximum annual technical service fee for 2012, 2013 and 2014 will not exceed RMB34 million, RMB46 million and RMB64 million, respectively.

Please refer to the announcement on continuing related party/connected transaction of the Company published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (<http://www.hkexnews.hk>) on 31 December 2011 for details of the transaction. During the Reporting Period, the Group paid in aggregate RMB12,169,000 of service fees to Network Operation Company.

3. Leasing of Operation of Petroleum Products Sales Business

During the Reporting Period, Guangjing Xicheng, the Company's subsidiary, continued to fulfill the leasing agreement in respect of its petroleum products sales business entered into with Jiangsu Petroleum for a period of three years from 1 January 2012 to 31 December 2014. Under the agreement between both parties, the leasing fee will be calculated on the basis of the sales volume of the petroleum products at RMB100 per ton, with the minimum leasing fee payable to Guangjing Xicheng by Jiangsu Petroleum amounting to RMB500,000 per annum. Jiangsu Petroleum is a related/connected company which is held as to 51.17% by the Company's Controlling Shareholder. Such transaction constituted a continuing related party/connected transaction relating to day-to-day operations.

During the Reporting Period, the leasing fees paid to Guangjing Xicheng by Jiangsu Petroleum amounted to RMB1,806,000, which was exempt from reporting and disclosure requirements.

SIGNIFICANT MATTERS

4. Leasing of Offices

During the Reporting Period, the Company continued to fulfill the renewed property leasing agreements entered into with its related parties Jiangsu Sundian and Network Operation Company, respectively, leasing the offices located in No. 2 Xianlin Avenue and No. 189 Maqun New Street to Jiangsu Sundian and Network Operation Company, respectively with leasing terms commencing on 1 September 2011 and ending on 31 August 2014, at the annual rental of RMB1.69 million and RMB4.46 million respectively. During the Reporting Period, the Group has included in its operating revenue the relevant office rentals of RMB845,000 and RMB2,230,000 received from Jiangsu Sundian and Network Operation Company, respectively.

As the leasees are held as to 30% or more by Communications Holdings (the controlling shareholder of the Company) and its associates and the two transactions are both relating to property leasing agreements, the transactions shall be calculated on aggregate basis under the Rule 14A.27 of the Hong Kong Listing Rules notwithstanding they are different entities, yet the transactions were exempted from reporting and disclosure requirements.

(II) Capital Dealings with Related Parties

Unit: RMB'000

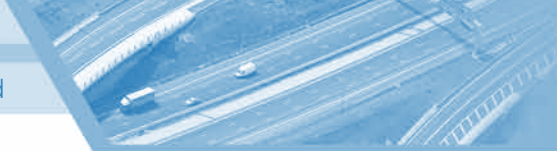
Related Parties	Provide funding to related parties			Related parties provide funding to the Company		
	Opening balance	Amount	Closing balance	Opening balance	Amount	Closing balance
Far East Shipping	0	0	0	150,000	40,000	190,000
Total	0	0	0	150,000	40,000	190,000

During the Reporting Period, the Company repaid a loan of RMB150,000,000 on due, and continued to secure a loan of RMB190,000,000 from Far East Shipping, a related party, by way of entrusted loan with a term of one year at an annual interest rate of 6%. As the entrusted loan constitutes financial assistance which is provided on normal commercial terms and no security over the assets of the Company is granted in respect of the financial assistance, the transaction is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14.65(4) of the Hong Kong Listing Rules.

(III) Confirmation Opinion by Independent Non-executive Directors on Related Party Transactions

The independent Directors of the Company have reviewed all related party transactions and confirmed in the interim report and accounts that:

- (1) Such transactions were conducted in the usual course of business of the Company;
- (2) Such transactions were conducted on normal commercial terms or, if transactions available for comparison were insufficient to determine whether the terms of such transactions are normal commercial terms, from the perspective of the Company, the terms of such transactions were no less favorable than the terms offered to or by (as the case may be) independent third parties; and
- (3) Such transactions were conducted in accordance with the terms of the agreements governing relevant transactions. The transaction terms were fair and reasonable and in the interests of the Company's shareholders as a whole.



SIGNIFICANT MATTERS

VI. Material Contracts and Their Fulfillment

1. Trust, Subcontracting and Leasing

During the Reporting Period, the Company had no material trust and subcontracting.

During the Reporting Period, the leases of the Company mainly included the leasing of operation of the petroleum products sales business to Jiangsu Petroleum and the leasing of offices to Jiangsu Sudian and Network Operation Company. For details, please refer to "Material Related Party/Connected Transactions" of this Section.

2. Guarantees

Ninghu Properties, a subsidiary of the Company provided guarantees to banks for bank borrowings granted to buyers of properties. The obligation will commence from the date on which the guarantee contract comes into effect and will end when the buyers complete registration of mortgage and pass the properties charge certification to bank. As at 30 June 2013, the outstanding guarantees amounted to approximately RMB17,027,000 (30 June 2012: RMB35,710,000).

3. Other Material Contracts

During the Reporting Period, the Company and its subsidiaries did not enter into any material contract with or provide any loan to the Controlling Shareholder of the Company or its subsidiaries or related parties. Save for the contracts disclosed above, the Company did not enter into any service or management contract with any individual, firm or body corporate.

VII. Undertakings and Fulfillment of Undertakings

1. As at the date of publication of the interim report, no unfulfilled undertaking in respect of operating results exists.
2. As at the date of publication of the interim report, neither the Company nor shareholders holding more than 5% of the shares of the Company had any unfulfilled undertaking in respect of asset injection or asset integration.

VIII. Appointment of Auditors

The reappointment of Deloitte Touche Tohmatsu CPA Ltd. as the domestic auditor of the Company for 2013 was approved at the Company's 2012 Annual General Meeting. The audit fees amount to RMB2,100,000 for the year. Deloitte Touche Tohmatsu CPA (Special General Partnership), a practicing certified public accountants firm approved by the Ministry of Finance and the China Securities Regulatory Commission to act as a reporting accountant and/or an auditor for Mainland incorporated companies listed in Hong Kong, has been engaged to audit the financial statements of the Company for the fiscal year ending 31 December 2013 prepared under the PRC Accounting Standards and to undertake the duties required to be performed by international auditors in accordance with the Hong Kong Listing Rules.

Deloitte Touche Tohmatsu CPA (Special General Partnership) was also appointed as the internal control auditor of the Company for 2013 at the general meeting. The audit fee is RMB680,000.

Deloitte Touche Tohmatsu CPA (Special General Partnership) has been providing audit services to the Company for 11 consecutive years since 2003. In 2008 and 2010, such auditing firm changed the partner responsible for the audit services provided to the Company.

Deloitte Touche Tohmatsu CPA Ltd. has changed its name to be Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) since 1 January 2013.

IX. Regulatory Sanctions by Regulatory Authorities

During the Reporting Period, there was no major administrative punishment, reprimand or other public condemnation imposed against the Company or any of its Directors, supervisors, senior management members and de facto controllers by regulatory authorities.

SIGNIFICANT MATTERS

X. Corporate Governance

1. Corporate Governance Status

The Company made continued improvements on the corporate governance system and the operating procedures according to the requirements of regulatory authorities and latest rules and regulations, with a view to enhancing corporate governance standards. The actual governance situation of the Company did not deviate from the Governance Standards for Listed Companies stipulated by the China Securities Regulatory Commission ("CSRC") and the requirements of the relevant laws and regulations; and the Company fully complied with all code provisions of the Corporate Governance Code in Appendix 14 of the Hong Kong Listing Rules. For details of the Company's governance practices, please refer to the relevant sections in the Company's 2012 Annual Report.

In the first half year, the Company created the internal environment in favour of value management through optimizing corporate governance structure, continuously improved the management and control system formed by shareholders, Directors and operators, defined the responsibilities and obligations of all parties, formed checks and balances among the three, coordinated the benefits of the Company and its shareholders and other stakeholders, and guaranteed the effectiveness of corporate governance through standardizing and implementing the "three-meeting" decision making mechanism (「三會」決策機制). In addition, the Company continuously promoted its governance level on the basis of understanding the advanced ideas and innovative practices in respect of governance of other listed companies through horizontal comparison, finding out the aspects of the Company to be improved and enhanced through comparison, learning from others' strong points to offset its own weakness and for continuous improvement.

2. Compliance with the Corporate Governance Code

As at the publishing date of this report, 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 new Corporate Governance Code and strove to comply with the recommended best practices and that no deviation or breach was found.

3. 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" to ensure the relevant personnel's compliance with the code in carrying out securities transactions.

4. Audit Committee

The seventh session of the Board of the Company elected Mr. Chen Donghua, Mr. Zhang Erzhen and Mr. Du Wen Yi as the members of the Audit Committee and elected Mr. Chen Donghua as the chairman of the committee. Mr. Chen Donghua and Mr. Zhang Erzhen, being independent non-executive Directors of the Company, have extensive experiences in financial and economic management, as well as appropriate professional qualifications as stipulated by Rule 3.10(2) of the Hong Kong Listing Rules. Members of the Audit Committee are not connected with the current or former auditors of the Company.

The Audit Committee had reviewed the interim financial report of the Company for the six months ended 30 June 2013 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 2013.



CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

I. Changes in Share Capital

During the Reporting Period and as at the disclosure date of the report, there has been no change to the total number of shares and share capital structure of the Company.

II. Shareholders

1. Total number of shareholders

Total number of shareholders as at the end of the Reporting Period 44,522

2. Major Shareholders

(1) As at 30 June 2013, shareholdings of the top ten shareholders of the Company were as follows:

Name of shareholder	Change during the Reporting Period	Number of shares held at the end of the Reporting Period (shares)	Shareholding Percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged or frozen	Type of shareholder
Jiangsu Communications Holdings Company Ltd.	0	2,742,578,825	54.44	0	0	State-owned legal person
China Merchants Huajian Highway Investment Co., Ltd.	0	589,059,077	11.69	0	0	State-owned legal person
Mondrian Investment Partners Limited	0	98,190,000	1.95	0	Unknown	Foreign legal person
JPMorgan Chase & Co.	35,155,339	97,010,443	1.93	0	Unknown	Foreign legal person
Matthews International Capital Management, LLC	25,394,000	86,528,000	1.72	0	Unknown	Foreign legal person
Blackrock, Inc.	5,995,645	77,872,221	1.55	0	Unknown	Foreign legal person
Deutsche Bank Aktiengesellschaft	62,559,481	62,559,481	1.24	0	Unknown	Foreign legal person
The Bank of New York Mellon Corporation	61,556,970	61,556,970	1.20	0	Unknown	Foreign legal person
Ping An Property & Casualty Insurance Company of China, Ltd.-Self-owned Funds	0	49,640,398	0.99	0	Unknown	Others
China Pacific Life Insurance Co., Ltd — Tradition-Ordinary Insurance Product	0	25,822,458	0.51	0	Unknown	Others

Notes: About shareholdings of the top ten shareholders:

- The Company is not aware of the above shareholders who are connected to each other or acting in concert;
- During the Reporting Period, no connected persons, strategic investors or general legal persons became one of the top ten shareholders of the Company as a result of the placement of new shares.
- Number of shares held by holders of H Shares was based on the register required to be maintained under the Securities and Futures Ordinance of Hong Kong.

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

- (2) As at 30 June 2013, the shareholdings of the top ten A shareholders not subject to selling restrictions were as follows:

Name of shareholder	Number of shares as at the end of the Reporting Period (shares)	Type of shares
Jiangsu Communications Holdings Company Ltd.	2,742,578,825	RMB-denominated ordinary shares
China Merchants Huajian Highway Investment Co., Ltd.	589,059,077	RMB-denominated ordinary shares
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-owned Funds	49,640,398	RMB-denominated ordinary shares
China Pacific Life Insurance Co., Ltd — Tradition-Ordinary Insurance Product	25,822,458	RMB-denominated ordinary shares
Guotai Junan Securities Co., Ltd	18,198,391	RMB-denominated ordinary shares
Ping An Life Insurance Company of China, Ltd. — Tradition-Ordinary Insurance Product	17,793,761	RMB-denominated ordinary shares
Morgan Stanley Investment Management Company Limited —Morgan Stanley China A Shares Fund	9,756,859	RMB-denominated ordinary shares
Kunshan Municipal Land Development Centre	7,500,000	RMB-denominated ordinary shares
BILL & MELINDA GATES FOUNDATION TRUST	7,328,527	RMB-denominated ordinary shares
Yulong Investment Fund	6,900,000	RMB-denominated ordinary shares

- (3) Shareholdings of shareholders subject to selling restrictions and their selling restrictions

No.	Name of shareholders subject to selling restrictions	Number of shares held subject to selling restrictions			Selling restrictions
		Number of shares held subject to selling restrictions	Listing and trading date	Number of additional listed and tradable shares	
1	Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	16 May 2007	0	Note 1
2	Other public legal person shares	25,498,745	16 May 2007	0	Note 1

Note 1: Circulation rights for other public legal person shares were obtained on 16 May 2007 but prior consent shall be obtained from the non-circulating shareholders who have advanced the consideration on behalf of the relevant shareholders and that the consideration so advanced shall be repaid by the relevant non-circulating shareholders. For repayment, the relevant (advancee) shareholders may opt to transfer the amount of shares being advanced or to pay in cash in an amount calculated in accordance with the average closing price of the five trading days following the implementation date of the Company's Share Segregation Reform for the consideration shares. Application for the listing of such shares shall then be submitted by the Company to the stock exchange.



CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

- (4) As at 30 June 2013, as far as the Company is aware, the following individuals held 5% or more of the interests or short positions in the shares, or underlying shares or debentures of the Company as recorded in the register required to be maintained under the Securities and Futures Ordinance of Hong Kong:

Name	Capacity	Direct interests	Number of H shares held	Percentage of H shares (total shares)
Jiangsu Communications Holdings Company Limited.	Others	Yes	2,742,578,825(L)	(54.44%)
China Merchants Group Limited/ China Merchants Huajian Highway Investment Co., Ltd ⁽¹⁾	Others	Yes	589,059,077(L)	(11.69%)
Mondrian Investment Partners Limited	Investment manager	Yes	98,190,000(L)	8.04%
JPMorgan Chase & Co.	Interest of controlled corporation	Yes	97,010,443(L)	7.94%
			4,700,000(S)	0.38%
			40,047,495(P)	3.28%
				(0.79%)
Matthews International Capital Management, LLC	Investment manager	Yes	86,528,000(L)	7.08%
Blackrock, Inc.	Interest of controlled corporation	Yes	77,872,221(L)	(1.72%)
				6.37%
Deutsche Bank Aktiengesellschaft	Interest of controlled corporation	Yes	62,559,481(L)	5.12%
			17,426,600(S)	1.43%
				(0.35%)
The Bank of New York Mellon Corporation	Interest of controlled corporation	Yes	61,556,970(L)	5.04%
			60,670,970(P)	(1.22%)
				4.96%
				(1.20%)

(L) Long position; (S) Short position; (P) Lending pool

- (1) China Merchants Group Limited was deemed to hold interests by virtue of its controlling interests in its subsidiary, China Merchants Huajian Highway Investment Co., Ltd.

Save as disclosed above, to the Company's best knowledge, as at 30 June 2013, there was no person who was required to make disclosure under the Securities and Futures Ordinance of Hong Kong.

III. Others

1. Purchase, Sale and Redemption of Shares of the Company: For the six months ended 30 June 2013, there was no purchase, sale or redemption of any of the Company's listed shares by the Company or any of its subsidiaries.
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 was required to offer new shares to the existing shareholders in proportion to their shareholdings.
3. Public Float: As at 30 June 2013 and 23 August 2013 (being the latest practicable date of this disclosure statement), the Company had complied with the 25% public float requirement under the Hong Kong Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Shareholding of Directors, Supervisors and Senior Management

During the Reporting Period, upon specific enquiries made to all the directors, there was no record showing that any directors, supervisors, key senior management of the Company or any of their associates had any interests in the share capital, underlying shares or debentures of the Company, its subsidiaries or associated companies that were required to be disclosed pursuant to the Securities and Futures Ordinance or the Model Code for Securities Transactions by Directors, Supervisors and Other Senior Management of Listed Companies.

The Company and its subsidiaries or associated companies have not entered into any arrangements to enable the directors, supervisors, senior management of the Company or any of their associates to acquire benefits by means of subscription of share capital, underlying shares or debentures of the Company or its subsidiaries or associated companies.

(II) Appointment or Removal of Directors, Supervisors and Senior Management of the Company

During the Reporting Period, Mr. Zhao Jia Jun was reappointed as the Deputy General Manager of the Company at the Fifth Meeting of the Seventh Session of the Board of the Company. Ms. Yu Lan Ying was appointed as the Financial Controller of the Company at the Sixth Meeting of the Seventh Session of the Board of the Company.

Pursuant to the relevant requirements of Hong Kong Stock Exchange, Mr. Yao Yong Jia ("Mr. Yao"), Secretary to the Board of the Company and Ms. Lee Wai Fun, Betty ("Ms. Lee"), a member of the Hong Kong Institute of Secretaries were appointed as the Joint Company Secretary in Hong Kong. As Mr. Yao has met the relevant qualifications of the Company Secretary in Hong Kong, Ms. Lee has resigned as the Company Secretary and Mr. Yao has held the position alone since 26 April 2013.

(III) Independent Non-executive Directors

The Company has appointed a sufficient number of Independent Non-executive Directors. Mr. Xu Chang Xin, Mr. Gao Bo, Mr. Chen Dong Hua and Mr. Zhang Er Zhen were appointed as Independent Non-executive Directors of the seventh 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 currency finance, financial accounting, economic management and real estate studies and are well-versed with academic theories and management experience. Independent directors were appointed as members of various specialized committees of the Board. Independent Non-executive Directors account for a majority in the Audit Committee, Nomination Committee and Remuneration and Appraisal Committee, and an Independent Non-executive Director holds chairmanship at each of these committees.

FINANCIAL REPORT

Consolidated Balance Sheet

At 30 June 2013

Unit: RMB

Item	Notes	Closing balance	Opening balance	Item	Notes	Closing balance	Opening balance
Current assets				Current liabilities:			
Cash and bank balances	(VI)1	1,564,079,250	686,484,787	Short-term borrowings	(VI)16	3,440,000,000	2,550,000,000
Held-for-trading financial assets	(VI)2	18,735,438	18,065,458	Accounts payable	(VI)17	364,765,741	348,951,084
Notes receivable		6,620,000	0	Receipts in advance	(VI)18	96,221,543	107,873,796
Accountants receivable	(VI)3	79,500,351	83,407,096	Employee benefits payable	(VI)19	1,587,441	2,331,953
Prepayments	(VI)4	32,007,090	17,516,960	Taxes payable	(VI)20	138,758,352	230,006,346
Dividends receivable	(VI)6	75,573,743	4,989,960	Interest payable	(VI)21	76,749,414	56,575,256
Interest receivable		0	192,500	Dividends payable	(VI)22	1,552,342,373	122,614,536
Other receivables	(VI)5	1,352,496,065	1,156,828,707	Other payables	(VI)23	105,716,335	124,029,852
Inventories	(VI)7	2,065,935,125	1,945,199,470	Non-current liabilities due within one year	(VI)24	1,530,841	1,201,557,302
Other current assets	(VI)8	130,367,974	327,026,166	Other current liabilities	(VI)25	500,000,000	1,000,000,000
Total Current Assets		5,325,315,036	4,239,711,104	Total Current liabilities		6,277,672,040	5,743,940,125
Non-current Assets:				Non-current Liabilities			
Long-term equity investment	(VI)9.10	3,807,491,384	3,777,367,323	Long-term borrowings	(VI)26	352,197,193	453,359,529
Investment properties	(VI)11	23,647,970	22,726,914	Deferred tax liabilities	(VI)15	0	0
Fixed assets	(VI)12	1,049,280,751	1,128,317,600	Bonds payable	(VI)27	989,683,768	496,482,241
Construction in progress	(VI)13	60,525,371	30,794,305				
Intangible assets	(VI)14	16,127,437,689	16,637,621,860	Total Non-current liabilities		1,341,880,961	949,841,770
Long-term prepaid expenses		286,095	519,565				
Deferred tax assets	(VI)15	12,031,473	12,198,968	TOTAL LIABILITIES		7,619,553,001	6,693,781,895
Total Non-current Assets		21,080,700,733	21,609,546,535	Shareholders' Equity			
				Share capital	(VI)28	5,037,747,500	5,037,747,500
				Capital reserve	(VI)29	7,554,837,017	7,565,944,367
				Surplus reserve		2,550,126,797	2,550,126,797
				Retained profits	(VI)30	3,156,725,498	3,535,043,036
				Total shareholders' equity attributable to equity holders of the Company		18,299,436,812	18,688,861,700
				Minority interests		487,025,956	466,614,044
				TOTAL SHAREHOLDERS' EQUITY		18,786,462,768	19,155,475,744
TOTAL ASSETS		26,406,015,769	25,849,257,639	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,406,015,769	25,849,257,639

The accompanying notes form part of the financial statements.

The financial statements on page 31 to 110 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

FINANCIAL REPORT

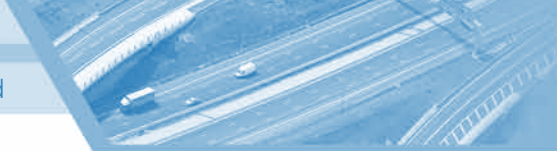
Balance Sheet of the Company

At 30 June 2013

Unit: RMB

Item	Notes	Closing balance	Opening balance	Item	Notes	Closing balance	Opening balance
Current assets				Current liabilities:			
Cash and bank balances		1,220,090,033	400,877,755	Short-term borrowings		3,190,000,000	2,250,000,000
Accounts receivable	(XII)1	62,524,876	69,967,201	Accounts payable		95,156,861	109,261,208
Prepayments	(XII)2	22,151,501	11,846,942	Receipts in advance		8,601,547	45,821,172
Dividends receivable		141,193,251	88,916,380	Employee benefits payable		1,398,522	2,187,532
Other receivables	(XII)3	2,634,730,427	2,326,286,343	Taxes payable		104,830,642	171,896,597
Inventories		21,869,911	19,863,144	Interest payable		75,923,164	55,224,700
Other current assets		0	200,203,560	Dividends payable		1,510,069,562	98,980,462
				Other payables		81,373,681	96,743,542
				Non-current liabilities due within one year		1,530,841	1,201,557,302
				Other current liabilities		500,000,000	1,000,000,000
Total Current Assets		4,102,559,999	3,117,961,325	Total Current Liabilities		5,568,884,820	5,031,672,515
Non-current Assets:				Non-current Liabilities			
Long-term equity investment	(XII)4	4,531,132,647	4,559,349,777	Long-term borrowings		22,197,193	73,359,529
Fixed assets		854,800,216	917,827,778	Bonds payable		989,683,768	496,482,241
Construction in progress		52,646,049	24,138,828	Total Non-current liabilities		1,011,880,961	569,841,770
Intangible assets		14,577,326,974	15,027,998,027				
Deferred tax assets		4,173,559	4,173,559	TOTAL LIABILITIES		6,580,765,781	5,601,514,285
Total Non-current Assets		20,020,079,445	20,533,487,969				
				Shareholders' Equity			
				Share capital		5,037,747,500	5,037,747,500
				Capital reserve		7,536,411,785	7,547,519,135
				Surplus reserve		2,229,960,693	2,229,960,693
				Retained profits		2,737,753,685	3,234,707,681
				Total Shareholders' Equity		17,541,873,663	18,049,935,009
TOTAL ASSETS		24,122,639,444	23,651,449,294	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		24,122,639,444	23,651,449,294

The accompanying notes form part of the financial statements.



FINANCIAL REPORT

Consolidated Income Statement

For the period ended 30 June 2013

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Total operating income	(VI)31	3,668,472,778	3,729,356,412
Including: Operating income		3,668,472,778	3,729,356,412
II. Total operating costs		2,016,182,757	2,131,837,831
Including: Operating costs	(VI)31	1,720,192,905	1,808,822,929
Business taxes and levies	(VI)32	95,168,956	93,318,715
Selling expenses		4,205,384	1,074,099
Administrative expenses		78,292,929	76,404,174
Financial expenses	(VI)33	118,322,583	152,217,914
Impairment losses of assets		0	0
Add: Gains from changes in fair values (Loss is indicated by "-")	(VI)34	669,980	-1,090,228
Investment income	(VI)35	181,600,702	103,173,907
Including: Income from investments in associates and joint ventures		134,456,977	89,276,092
III. Operating profit		1,834,560,703	1,699,602,260
Add: Non-operating income	(VI)36	93,818,622	3,886,577
Less: Non-operating expenses	(VI)37	10,030,810	8,144,466
Including: Losses from disposal of non-current assets		699,289	483,967
IV. Total profit		1,918,348,515	1,695,344,371
Less: Income tax expenses	(VI)38	444,026,304	407,928,024
V. Net profit		1,474,322,211	1,287,416,347
Including: Net profit attributable to owners of the Company		1,435,271,562	1,260,780,226
Profit or loss attributable to minority interests		39,050,649	26,636,121
VI. Earnings per share:	(VI)39		
(I) Basic earnings per share		0.2849	0.2503
(II) Diluted earnings per share		N/A	N/A
VII. Other comprehensive income (Loss is indicated by "-")	(VI)40	-11,107,350	24,710,887
VIII. Total comprehensive income		1,463,214,861	1,312,127,234
Total comprehensive income attributable to owners of the Company		1,424,164,212	1,285,491,113
Total comprehensive income attributable to minority interests		39,050,649	26,636,121

The accompanying notes form part of the financial statements.

FINANCIAL REPORT

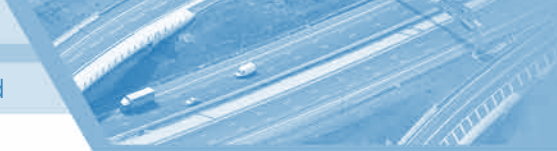
Income Statement of the Company

For the period ended 30 June 2013

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Total operating income	(XII)5	3,244,607,667	3,348,354,917
Less: Operating costs	(XII)5	1,574,119,436	1,687,388,741
Business taxes and levies		78,898,996	79,323,560
Administrative expenses		64,122,274	61,506,523
Financial expenses		98,266,176	159,891,971
Impairment loss of assets		0	0
Add: Investment income	(XII)6	187,787,302	216,444,947
Including: Income from investments in associates and joint ventures		81,965,786	89,422,078
II. Operating profit		1,616,988,087	1,576,689,069
Add: Non-operating income		93,456,817	3,883,402
Less: Non-operating expenses		7,772,733	6,546,521
Including: Losses from disposal of non-current assets		23,510	287,236
III. Total profit		1,702,672,171	1,574,025,950
Less: Income tax expenses		386,037,067	346,453,694
IV. Net profit		1,316,635,104	1,227,572,256
V. Earnings per share:			
(I) Basic earnings per share		0.2614	0.2437
(II) Diluted earnings per share		N/A	N/A
VI. Other comprehensive income (Loss is indicated by "-")		-11,107,350	24,710,887
VII. Total comprehensive income		1,305,527,754	1,252,283,143

The accompanying notes form part of the financial statements.



FINANCIAL REPORT

Consolidated Cash Flow Statement

For the period ended 30 June 2013

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		3,968,814,958	3,931,381,849
Other cash receipts relating to operating activities	(VI)41(1)	21,135,135	12,099,789
Sub-total of cash inflows from operating activities		3,989,950,093	3,943,481,638
Cash payments for goods purchased and services received		1,604,722,846	1,529,341,812
Cash payments to and on behalf of employees		214,327,317	197,272,132
Payments of various types of taxes		649,235,804	728,733,965
Other cash payments relating to operating activities	(VI)41(2)	35,543,999	23,968,053
Sub-total of cash outflows from operating activities		2,503,829,966	2,479,315,962
Net Cash Flow from Operating Activities		1,486,120,127	1,464,165,676
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		384,000,000	2,517,989,518
Cash receipts from investment income		75,839,068	27,359,178
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		84,035,794	364,263
Net cash receipts from disposals of subsidiaries and other business units		0	0
Other cash receipts relating to investing activities	(VI)41(3)	0	0
Sub-total of cash inflows from investing activities		543,874,862	2,545,712,959
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		37,368,130	61,323,501
Cash payments to acquire investments		191,850,000	4,061,902,040
Other cash payments relating to investing activities	(VI)42(4)	0	0
Sub-total of cash outflows from investing activities		229,218,130	4,123,225,541
Net Cash Flow from Investing Activities		314,656,732	-1,577,512,582
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		1,555,000,000	1,355,000,000
Cash receipts from issue of bonds		991,500,000	498,500,000
Other cash receipts relating to financing activities	(VI)41(5)	0	0
Sub-total of cash inflows from financing activities		2,546,500,000	1,853,500,000
Cash repayments of borrowings		2,965,772,370	895,783,470
Cash payments for distribution of dividends or profits or settlement of interest expenses		500,877,774	870,159,139
Including: payments for distribution of dividends or profits to minority owners of subsidiaries		0	24,024,788
Other cash payments relating to financing activities	(VI)41(6)	3,032,252	250,000
Sub-total of cash outflows from financing activities		3,469,682,396	1,766,192,609
Net Cash Flow from Financing Activities		-923,182,396	87,307,391
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		0	0
V. Net Increase (decrease) in Cash and Cash Equivalents			
Add: Opening balance of Cash and Cash Equivalents		877,594,463	-26,039,515
		686,484,787	806,129,927
VI. Closing Balance of Cash and Cash Equivalents			
		1,564,079,250	780,090,412

The accompanying notes form part of the financial statements.

FINANCIAL REPORT

Cash Flow Statement of the Company

For the period ended 30 June 2013

Unit: RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		3,520,526,846	3,545,141,147
Other cash receipts relating to operating activities	(XII)7(1)	3,313,954	6,004,802
Sub-total of cash inflows from operating activities		3,523,840,800	3,551,145,949
Cash payments for goods purchased and services received		1,338,513,638	1,397,141,134
Cash payments to and on behalf of employees		174,825,130	157,893,759
Payments of various types of taxes		546,642,902	618,719,081
Other cash payments relating to operating activities	(XII)7(2)	29,056,747	20,856,241
Sub-total of cash outflows from operating activities		2,089,038,417	2,194,610,215
Net Cash Flow from Operating Activities		1,434,802,383	1,356,535,734
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		200,000,000	1,808,989,518
Cash receipts from investment income		152,823,771	22,793,427
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		84,034,394	362,263
Other cash receipts relating to investing activities	(XII)7(3)	0	0
Sub-total of cash inflows from investing activities		436,858,165	1,832,145,208
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		31,083,610	45,761,030
Cash payments to acquire investments		0	1,830,000,000
Other cash payments relating to investing activities	(XII)7(4)	220,000,000	90,000,000
Sub-total of cash outflows from investing activities		251,083,610	1,965,761,030
Net Cash Flow from Investing Activities		185,774,555	-133,615,822
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		1,305,000,000	605,000,000
Cash receipts from issue of bonds		991,500,000	498,500,000
Other cash receipts relating to financing activities	(XII)7(5)	0	0
Sub-total of cash inflows from financing activities		2,296,500,000	1,103,500,000
Cash repayments of borrowings		2,615,772,370	1,485,783,470
Cash payments for distribution of dividends or profits or settlement of interest expenses		479,060,038	853,702,629
Other cash payments relating to financing activities	(XII)7(6)	3,032,252	250,000
Sub-total of cash outflows from financing activities		3,097,864,660	2,339,736,099
Net Cash Flow from Financing Activities		-801,364,660	-1,236,236,099
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		0	0
V. Net Increase (decrease) in Cash and Cash Equivalents			
Add: Opening balance of Cash and Cash Equivalents		819,212,278	-13,316,187
		400,877,755	452,126,965
VI. Closing Balance of Cash and Cash Equivalents			
		<u>1,220,090,033</u>	<u>438,810,778</u>

The accompanying notes form part of the financial statements.

FINANCIAL REPORT

Consolidated Statement of Changes in Owners' Equity

For the period ended 30 June 2013

Unit: RMB

ITEM	Amount for the current period										Amount for the corresponding period of last year									
	Attributable to owners of the Company					Total owner's equity	Attributable to owners of the Company					Total owner's equity								
	Share capital	Capital reserve	Treasury shares	Special reserve	Surplus reserve		General reserve	Retained profits	Others	Minority interests	Share capital		Capital reserve	Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Others	Minority interests
I. Closing balance of the preceding year	5,037,747,500	7,566,944,367	0	0	2,530,287,797	0	3,353,140,035	0	46,661,404	19,155,455,744	5,037,747,500	7,561,927,674	0	2,281,733,884	0	3,273,980,461	0	463,120,422	18,697,899,971	
II. Changes for the period																				
(I) Net profit	0	0	0	0	0	1,432,271,562	0	390,650,649	1,474,922,211	0	0	0	0	0	1,260,760,226	0	26,636,121	1,297,416,347		
(II) Other comprehensive income/(loss)	0	-11,107,350	0	0	0	-11,107,350	0	0	-11,107,350	0	24,710,887	0	0	0	0	0	0	0	24,710,887	
Subtotal of (I) and (II)	0	-11,107,350	0	0	0	1,421,164,212	0	390,650,649	1,463,814,861	0	24,710,887	0	0	0	1,260,760,226	0	26,636,121	1,312,127,234		
(III) Owners' contributions and reduction in capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1. Capital contribution from owners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. Share-based payment recognised in owners' equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(IV) Profit distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1. Transfer to surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. Transfer to general reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Distributions to shareholders	0	0	0	0	0	-1,815,365,100	0	-1,815,365,100	-1,815,365,100	0	0	0	0	0	-1,815,365,100	0	-307,663,825	-1,854,355,925		
4. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(V) Transfers within owners' equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1. Capitalisation of capital reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. Capitalisation of surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Loss offset by surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(VI) Special reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1. Transfer to special reserve in the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. Amount utilised in the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
III. Closing balance of the current period	5,037,747,500	7,554,837,017	0	0	2,530,287,797	0	3,156,754,498	0	467,095,956	18,798,462,769	5,037,747,500	7,566,236,961	0	2,281,733,884	0	2,701,871,607	0	488,992,718	18,085,584,290	

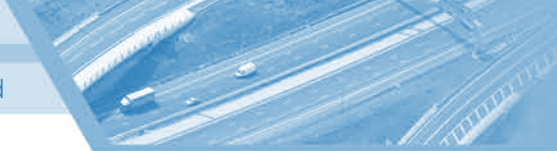
FINANCIAL REPORT

Statement of Changes in Owners' Equity of the Company

For the period ended 30 June 2013

Unit: RMB

ITEM	Amount for the current period					Amount for the corresponding period of last year					Total owners' equity				
	Share capital	Capital reserve	Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Share capital	Capital reserve	Treasury shares		Special reserve	Surplus reserve	General reserve	Retained profits
I. Closing balance of the preceding year	5,037,747,500	7,547,519,135	0	0	2,229,960,693	0	3,234,707,681	5,037,747,500	7,523,102,442	0	0	2,002,866,733	0	3,004,831,139	17,568,387,814
II. Changes for the period															
(I) Net profit	0	0	0	0	0	0	1,316,635,104	0	0	0	0	0	0	1,227,572,256	1,227,572,256
(II) Other comprehensive income(loss)	0	-11,107,350	0	0	0	0	-11,107,350	0	24,710,887	0	0	0	0	24,710,887	24,710,887
Subtotal of (I) and (II)	0	-11,107,350	0	0	0	0	1,316,635,104	0	24,710,887	0	0	0	0	1,227,572,256	1,252,283,143
(III) Owners' contributions and reduction in capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Capital contribution from owners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Share-based payment recognised in owners' equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(IV) Profit distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Transfer to surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Transfer to general reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Distributions to shareholders	0	0	0	0	0	0	-1,813,589,100	0	0	0	0	0	0	-1,813,589,100	-1,813,589,100
4. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(V) Transfers within owners' equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Capitalisation of capital reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Capitalisation of surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Loss offset by surplus reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(VI) Special reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Transfer to special reserve in the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Amount utilised in the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Closing balance of the current period	5,037,747,500	7,536,411,785	0	0	2,229,960,693	0	2,737,753,685	5,037,747,500	7,547,813,329	0	0	2,002,866,733	0	2,416,614,295	17,007,061,857



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

I. BASIC INFORMATION ABOUT THE COMPANY

Jiangsu Expressway Co., Ltd. (the "Company") is a joint-stock limited company incorporated in Nanjing, Jiangsu province on 1 August 1992. The principal activities of the Company and its subsidiaries (collectively referred it as the "Group") mainly include: construction, operation and management of the Jiangsu section of Shanghai-Nanjing Expressway (the "Shanghai-Nanjing Expressway"), the Jiangsu section of the 312 National Highway (the "312 National Highway"), Nanjing-Lianyungang Class 1 Highway –Nanjing Section ("Nanjing-Lianyungang Highway") and other toll roads in Jiangsu Province PRC, and the provision of passenger transport services and other supporting services along the toll roads.

The Company issued 1,222,000,000 shares on The Stock Exchange of Hong Kong Limited ("H shares") and 150,000,000 shares on the Shanghai Stock Exchange ("A shares") with par value of RMB1 in June 1997 and December 2000 respectively.

The parent company and ultimate shareholder of the Company is Jiangsu Communications Holding Company Limited.

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

The Group has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF") on 15 February 2006. The Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reporting (Revised in 2010). In addition, the Group also disclosed relevant disclosure in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules of The Stock Exchange of Hong Kong Limited.

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

2. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as of 30 June 2013, and the Company's and consolidated results of operations and cash flows for the period then ended.

3. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency.

5. Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate, and no adjustment is made to the opening balances and comparative figures in the consolidated financial statements.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

5. Preparation of consolidated financial statements (continued)

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess are adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

6. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Translation of transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognised in profit and loss or as other comprehensive income included in capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

8. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts.

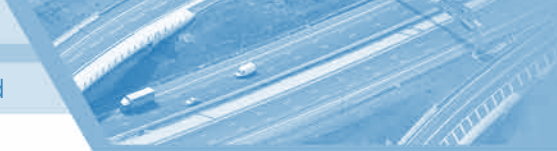
8.1. Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For a financial instrument which has an active market, the Group uses the quoted price in the active market to establish its fair value. For a financial instrument which has no active market, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

8.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

8. Financial instruments (continued)

8.3. Classification, recognition and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group has no held-to-maturity investments.

8.3.1. Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets at FVTPL include financial assets held for trading and those designated as at fair value through profit or loss.

A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) It has been acquired principally for the purpose of selling in the near term; or (2) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) It is a derivative that is not designated and effective as a hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured.

A financial asset may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring assets or recognising the gains or losses on them on different bases; or (2) The financial asset forms part of a group of financial assets or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis.

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

8. Financial instruments *(continued)*

8.3. Classification, recognition and measurement of financial assets *(continued)*

8.3.2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Group include notes receivable, accounts receivable, dividends receivable, other receivables and structural bank deposits recorded as other current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortisation is recognised in profit or loss.

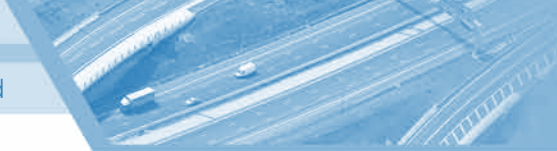
8.3.3. Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognised as other comprehensive income and included in the capital reserve, except that impairment losses and exchange differences related to amortised cost of monetary financial assets denominated in foreign currencies are recognised in profit or loss, until the financial assets are derecognised, at which time the gains or losses are released and recognised in profit or loss.

Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognised in investment gains.

For investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

8. Financial instruments *(continued)*

8.4. Impairment of financial assets

The Group assesses at each balance sheet date the carrying amounts of financial assets other than those at fair value through profit or loss. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected.

Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganisations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets, observable data indicates that there is a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group. Such observable data includes:
 - Adverse changes in the payment status of borrower in the group of assets;
 - Economic conditions in the country or region of the borrower which may lead to a failure to pay the group of assets;
- (7) Significant adverse changes in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of the investment in the equity instrument may not be recovered by the investor;
- (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;
- (9) Other objective evidence indicating there is an impairment of a financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

8. Financial instruments *(continued)*

8.4. Impairment of financial assets *(continued)*

— Impairment of financial assets measured at amortised cost

If financial assets carried at amortised cost are impaired, the carrying amounts of the financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of reduction is recognised as an impairment loss in profit or loss. If, subsequent to the recognition of an impairment loss on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively reassesses them for impairment. Assets for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

— Impairment of available-for-sale financial assets

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognised directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognised as other comprehensive income and included in the capital reserve, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

8. Financial instruments (continued)

8.5. Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income, is recognised in profit or loss.

8.6. Classification, recognition and measurement of financial liabilities

Debt and equity instruments issued by the Group are classified into financial liabilities or equity on the basis of the substance of the contractual arrangements and definitions of financial liability and equity instrument.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

8.6.1. Other financial liabilities

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with gain or loss arising from derecognition or amortisation recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

8. Financial instruments (continued)

8.7. Derecognition of Financial Liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

8.8. Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

8.9. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders equity.

All types of distributions (excluding stock dividends) made by the Group to holders of equity instruments are deducted from shareholders equity. The Group does not recognise any changes in the fair value of equity instruments.

9. Receivables

9.1. Receivables that are individually significant and for which bad debt provision is individually assessed

Basis or monetary criteria for determining an individually significant receivable	An accounts receivable that exceeds RMB2,500,000 or an other receivable and a prepayment that exceeds RMB750,000 is deemed as an individually significant receivable by the Group.
Method of determining provision for receivables that are individually significant and for which bad debt provision is individually assessed	For receivables that are individually significant, the Group assesses the receivables individually for impairment. For a financial asset that is not impaired individually, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Receivables for which an impairment loss is individually recognised are not included in a collective assessment of impairment.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

9. Receivables (continued)

9.2. Receivables for which bad debt provision is collectively assessed on a portfolio basis

Basis for determining a portfolio	
Portfolio 1	The Group classifies the receivables that are not individually significant and aged within 2 years, not individually significant and aged over 2 years with no indicator of impairment, and those that are individually significant but are not impaired individually into groups of financial assets according to the similarity and relevance of credit risk characteristics. These credit risks usually reflect the debtors' ability to pay the amounts due at maturity under contractual terms of related assets and are related to the estimation of future cash flows of the assets subject to assessment. This portfolio includes the accounts receivables which has no record of bad debt and with high credit level.
Bad debt provision method for a portfolio	Percentage of total receivables outstanding

9.2.1. Portfolios that percentage of total receivables outstanding is used for bad debt provision:

Name of portfolio	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Portfolios that percentage of total receivables outstanding is used for bad debt provision	<u>2</u>	<u>2</u>

9.3. Accounts receivable that are not individually significant but for which bad debt provision is individually assessed:

Reasons for making individual bad debt provision	Those accounts receivables which exceed 2 years or there is significant financial difficulty of the obligor
Bad debt provision methods	Bad debt provision is individually assessed

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

10. Inventories

10.1. Categories of inventories

The Group's inventories mainly include spare parts for repairs and maintenance of toll roads infrastructure, petrol for sales and real estate under development etc. Inventories are initially measured at cost. Cost of real estate under development include payments for land acquisition, costs for infrastructure construction and installation costs, borrowing costs capitalised before project is ready for intended use, and other relevant costs during development. Cost of other inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

10.2. Valuation method of inventories upon delivery

The actual cost of real estate under development is calculated using the specific identification method. Other inventories are calculated using the first-in-first-out method.

10.3. Basis for determining net realisable value of inventories and provision methods for decline in value of inventories

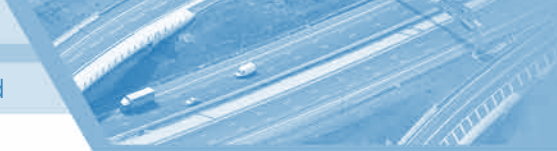
At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realisable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

10.4. Inventory count system

The perpetual inventory system is maintained for stock system.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

11. Long-term equity investments

11.1. Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

11.2. Subsequent measurement and recognition of profit or loss

11.2.1. Long-term equity investment accounted for using the cost method

For long-term equity investments over which the Group does not have joint control or significant influence and without quoted prices in an active market and that fair values cannot be reliably measured, the Group accounts for such long-term equity investments using the cost method. Besides, long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

11.2.2. Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

11. Long-term equity investments *(continued)*

11.2. Subsequent measurement and recognition of profit or loss *(continued)*

11.2.2. Long-term equity investment accounted for using the equity method *(continued)*

Under the equity method, the Group recognises its share of the net profit or loss of the investee for the period as investment income or loss for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. Changes in owners' equity of the investee other than net profit or loss are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised as other comprehensive income which is included in the capital reserve.

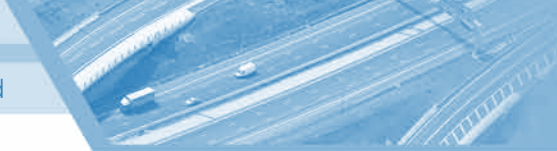
The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

11.2.3. Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the amount included in the shareholders equity attributable to the percentage interest disposed is transferred to profit or loss for the period.

11.3. Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

11. Long-term equity investments *(continued)*

11.4. Methods of impairment assessment and determining the provision for impairment loss

The Group reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the period.

Once an impairment loss is recognised for a long-term equity investment, it will not be reversed in any subsequent period.

12. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

The Group reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

Once an impairment loss is recognised for an investment property, it will not be reversed in any subsequent period.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

13. Fixed assets

13.1. Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

13.2. Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

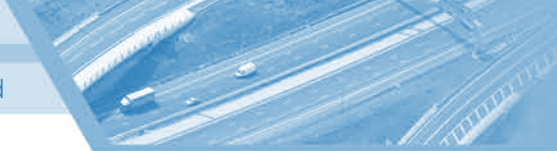
Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	30	3	3.2
Safety equipment	10	3	9.7
Communication and signaling equipment	10	3	9.7
Toll stations and ancillary equipment	8	3	12.1
Motor vehicles	10	3	9.7
Other machinery and equipment	8–10	3	9.7–12.1%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

13.3. Methods of impairment assessment and determining the provision for impairment losses of fixed assets

The Group assesses at each balance sheet date whether there is any indication that the fixed assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

Once the impairment loss of such assets is recognised, it is not be reversed in any subsequent period.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

13. Fixed assets (continued)

13.4. Other explanations

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

14. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

The Group assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

Once the impairment loss of construction in progress is recognised, it is not be reversed in any subsequent period.

15. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalisation is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalisation period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalised. Exchange differences in connection with general-purpose borrowings are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

16. Intangible assets

16.1. Intangible assets

Intangible assets include land use rights, toll road operation rights, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortised.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and makes adjustments when necessary.

If the Group has right to charge users of the public service in certain period but the amounts is not determined when relevant infrastructure completed, the Group measures the intangible asset initially at fair value of received or receivable consideration. The intangible asset is amortised using traffic volume method by using the ratio of traffic volume between certain period and whole operation period. When there is significant difference between actual and estimated traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortization amount.

16.2. Methods of impairment assessment and determining the provision for impairment losses of intangible assets

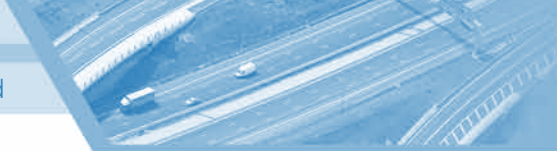
The Group assesses at each balance sheet date whether there is any indication that the intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Once the impairment loss of such assets is recognised, it is not be reversed in any subsequent period.

17. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortised using the straight-line method over the expected periods in which benefits are derived.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

18. Revenue

18.1. Toll revenue

Toll revenue, the income from operation of toll roads, is recognised on a receipt basis.

18.2. Revenue from rendering of services

Revenue from rendering of services of the Group include: ancillary services and emergency assistance, advertising income etc. The revenue from rendering of services are recognised when services are rendered.

18.3. Revenue from sale of goods

Revenue from sale of goods is recognised when (1) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Group; and (5) the associated costs incurred or to be incurred can be measured reliably.

18.4. Revenue from sales of properties

Revenue from sales of properties are recognised when the relevant procedures of properties are completed and the properties are transferred to buyer of real estate. Amount received of pre-sales of properties are recorded in the accounts of receipts in advance.

18.5. Interest income

Interest income is accrued on a time basis, by reference to the effective interest rate applicable.

19. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

20. Deferred tax assets/ deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

20.1. Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

20.2. Deferred tax assets and deferred tax liabilities

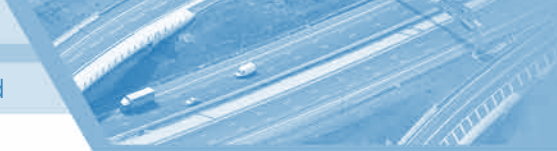
For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax is generally recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES (continued)

20. Deferred tax assets/ deferred tax liabilities (continued)

20.2. Deferred tax assets and deferred tax liabilities (continued)

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

21. Operating leases and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

21.1. The Group as lessee under operating leases

Operating lease payments are recognised on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

21.2. The Group as lessor under operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalised when incurred, and are recognised in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES *(continued)*

22. Employee benefits

In an accounting period in which an employee has rendered service to the Group, the Group recognises the employee benefits for that service as a liability.

The Group participates in the employee social security systems, such as basic pensions, medical insurance, housing funds and other social securities established by the government in accordance with relevant requirements. The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred.

When the Group terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Group has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Group cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognised with a corresponding charge to the profit or loss for the period.

III. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note II, management had made the following estimation that have the most significant effect on the amounts recognised in the consolidated financial statements. These judgments, estimation and assumption are made based on the past experience and other relevant factors of management of the Group. The actual consequent result may vary from the estimation.

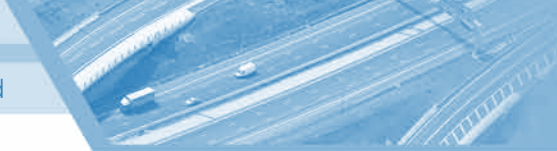
The Group periodically reviews the above judgment, estimation and assumption. When the changes in accounting estimates affects that period only, the effect is recognised in that period; when the changes in accounting estimates affects that period and future periods, the effect is recognised in that period and prospectively.

— Key sources of estimation uncertainty

Amortisation of toll road operation rights

Amortisation of the toll road operation rights are calculated to write off their cost, commencing from the date of commencement of commercial operation of the toll roads, based on the ratio of actual traffic volume compared to the total expected traffic volume of the toll roads.

The management exercises their judgment in estimating the total expected traffic volume of the toll roads during the operating period. When there is large difference between actual and expected traffic volume, the management will exercise their judgment in the accuracy of the expected traffic volume and adjust the future amortization per traffic volume.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

III. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of toll road operation rights

Determining whether toll road operation rights are impaired requires an estimation of the recoverable amount.

In measuring the recoverable amount of the toll road operation rights, the Group has looked at the value in use based on the following factors: the current and expected future traffic volume, current and expected future toll fee level, length of operating rights, maintenance costs and discount rate (the "Relevant Factors").

In arriving at the recoverable amount of the toll road operation rights, the management exercised their judgment with reference to these Relevant Factors in estimating the recoverable amounts of the toll road operation rights. As a result, the management considered that the recoverable amounts are above their carrying amounts and no impairment was made accordingly.

IV. TAXES

Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	Output VAT less deductible input VAT	17%
Business Tax	Toll income	3%
	Maintenance income	5%
	Advertisement income	5%
	Food and beverage income	5%
City maintenance and construction tax	Actual paid business tax and VAT	7%
Educational surtax and surcharge	Actual paid business tax and VAT	5%
Land appreciation tax	The taxable appreciation amount when land is invested out	progressive rates ranging from 30% to 60%
Enterprise income tax	Taxable income	25%

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

V. BUSINESS COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Information of subsidiaries

Subsidiaries established or acquired through investments

Unit: RMB

Full name of the subsidiary	Type	Place of incorporation	Nature of business	Registered capital	Business scope	Actual capital contribution at the end of the period	Balance of other items, that in substance, constitutes net investment in the subsidiary	Proportion of ownership interest (%)	Proportion of voting power (%)	Consolidated or not consolidated	Minority interests	Amount of the minority interests used to absorb profits or losses attributable to minority interests	The balance after the amount of minority's share of current loss which is deducted from parent company's shareholders' equity exceeds the amount that the minority share the subsidiary's opening shareholders' equity
Jiangsu Guangjing Xicheng Co., Ltd. (Guangjing Xicheng)	Limited liability company	Nanjing	Service	800,000,000	Construction and operation of expressway	2,125,000,000	0	85	85	Yes	472,851,751	0	0
Wuxi Jingcheng Advertising Co., Ltd. (note 1)	Limited liability company	Wuxi	Service	1,000,000	Management and operation of expressway advertising services	1,000,000	0	85	85	Yes	0	0	0
Jiangsu Ninghu Investment Development Co., Ltd. (Ninghu Investment)	Limited liability company	Nanjing	Investment and Service	100,000,000	Investment on infrastructure, advertising services, and real estate development and operation	95,000,000	0	95	95	Yes	14,174,205	0	0
Kunshan Fan Yuan Real Estate Development Co., Ltd. (Kunshan Fengyuan) (note 2)	Limited liability company	Kunshan	Real estate development	42,000,000	Real estate development	42,000,000	0	95	95	Yes	0	0	0
Jiangsu Ninghu Properties Co., Ltd. (Ninghu Properties)	Limited liability company	Nanjing	Real estate development	500,000,000	Real estate development, operation and consulting	500,000,000	0	100	100	Yes	0	0	0
Ninghu Properties (Kunshan) Co., Ltd. (Kunshan Properties) (note 3)	Limited liability company	Kunshan	Real estate development	200,000,000	Real estate development, operation and consulting	200,000,000	0	100	100	Yes	0	0	0

Note 1: Wuxi Jingcheng Advertising Co., Ltd. is the wholly owned subsidiary of Guangjing Xicheng, a subsidiary of the Group.

Note 2: Kunshan Fengyuan is the wholly owned subsidiary of Ninghu Investment, a subsidiary of the Group.

Note 3: Kunshan Properties is the wholly owned subsidiary of Ninghu Properties, a subsidiary of the Group.

Note 4: None of the subsidiaries had issued any debt securities as at 30 June 2013.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit:RMB

Item	Closing balance			Opening balance		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			356,717			399,950
Bank balances:						
RMB			1,532,104,778			653,186,423
USD	1,370	6.1818	8,469	1,370	6.2855	8,611
HKD	1,326,968	0.79655	1,056,996	1,300,894	0.8108	1,054,765
Other monetary funds:						
RMB			30,552,290			31,835,038
Total			1,564,079,250			686,484,787

2. Held-for-trading financial assets

(1) Details of held-for-trading financial assets are as follows:

Unit:RMB

Item	Closing fair value	Opening fair value
Held-for-trading investments in equity instruments	0	0
Fund investments	18,735,438	18,065,458
Total	18,735,438	18,065,458

The cost of fund investment is RMB20,000,000, the closing fair value is RMB18,735,438. The above information of closing market price was quoted by relevant open sourced information of the fund.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable

- (1) Disclosure of accounts receivable by categories:

Unit:RMB

Category	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	52,936,690	67	0	0	53,745,907	64	0	0
Accounts receivable for which bad debt provision has been assessed by portfolios	26,563,661	33	0	0	29,661,189	36	0	0
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	0	0	0	0	0	0	0	0
Total	79,500,351	100	0	0	83,407,096	100	0	0

The majority of toll road and Ancillary Services income are settled by cash, and others are settled by receipt in advance. The accounts receivable mainly represent the receivables due from other toll operation companies by toll network internal income reallocation.

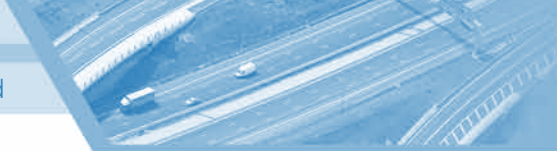
Explanations of categories of accounts receivable:

Aging analysis of accounts receivables is as follows:

Unit:RMB

Aging	Closing balance				Opening balance			
	Amount	Proportion (%)	Bad debt provision	Carrying amount	Amount	Proportion (%)	Bad debt provision	Carrying amount
Within 1 year	79,500,351	100	0	79,500,351	83,407,096	100	0	83,407,096
More than 1 year but not exceeding 2 years	0	0	0	0	0	0	0	0
More than 2 years but not exceeding 3 years	0	0	0	0	0	0	0	0
More than 3 years	0	0	0	0	0	0	0	0
Total	79,500,351	100	0	79,500,351	83,407,096	100	0	83,407,096

- (2) There is no accounts receivable due from shareholders holding at least 5% of the Company's shares with voting power in the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Prepayments

(1) Aging analysis of prepayments is as follows:

Unit:RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	30,738,313	96	17,396,960	99
1-2 years	1,248,777	4	120,000	1
2-3 years	20,000	0	0	0
Total	<u>32,007,090</u>	<u>100</u>	<u>17,516,960</u>	<u>100</u>

(2) No prepayments to shareholders holding at least 5% of the Company's shares with voting power in the reporting period

(3) Explanations of prepayments:

Disclosure of prepayments by client categories is as follows:

Unit:RMB

Category	Closing balance	Opening balance
Individually significant prepayments	25,956,647	12,420,633
Other insignificant prepayments	<u>6,050,443</u>	<u>5,096,327</u>
Total	<u>32,007,090</u>	<u>17,516,960</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables

(1) Disclosure of other accounts receivable by categories:

Unit:RMB

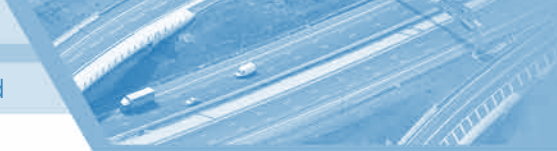
Category	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision has been assessed individually	1,352,776,016	99	16,312,140	98	1,159,892,978	99	16,312,140	98
Other receivable for which bad debt provision has been assessed by portfolios	16,415,118	1	382,929	2	13,630,798	1	382,929	2
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	0	0	0	0	0	0	0	0
Total	1,369,191,134	100	16,695,069	100	1,173,523,776	100	16,695,069	100

Explanations of categories of other receivables:

Aging analysis of other receivables is as follows:

Unit:RMB

Aging	Closing balance				Opening balance			
	Amount	Proportion (%)	Bad debt provision	Carrying amount	Amount	Proportion (%)	Bad debt provision	Carrying amount
Within 1 year	1,341,711,143	98	367,413	1,341,343,730	1,139,454,968	97	367,413	1,139,087,555
1-2 years	106,900	0	1,901	104,999	669,231	0	1,901	667,330
2-3 years	60,950	0	162	60,788	58,097	0	162	57,935
More than 3 years	27,312,141	2	16,325,593	10,986,548	33,341,480	3	16,325,593	17,015,887
Total	1,369,191,134	100	16,695,069	1,352,496,065	1,173,523,776	100	16,695,069	1,156,828,707



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Other receivables (continued)

- (2) No other receivables due from shareholders holding at least 5% of the Company's shares with voting power in the reporting period.
- (3) Nature or content of significant other receivables

The Company recognized at the end of last year RMB1,124,177,798 in compensation receivables from Jiangsu Provincial Government for losses arising from removal of the toll stations along the ShanghaiNanjing Section of G312.

During the reporting period, the Company disposed the operating right of the toll roads along Zhenjiang branch of Shanghai-Nanjing Expressway (Jiangsu section). According to the transfer and payment agreement, the consideration for the disposal was RMB210,084,100, and the Company have collected RMB126,050,460. As at 30 June 2013, the Company confirms the outstanding receivable from Zhenjiang Transport Investment Construction Development Company (鎮江市交通投資建設發展公司) of RMB84,033,640.

6. Dividends Receivable

Unit:RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reasons for uncollected amounts	Whether the amount is impaired
Dividends receivable aged within 1 year	2,494,980	144,003,566	75,914,763	70,583,783	Declared but not distributed yet	No
Including: Jiangsu Leasing Co., Ltd.	0	44,928,000	44,928,000	0		
Jiangsu Yangtze Bridge Co., Ltd.	0	56,983,566	28,491,783	28,491,783	Declared but not distributed yet	No
Jiangsu Kuailu Motor Transport Co., Ltd.	2,494,980	0	2,494,980	0		
Suzhou Sujiahang Expressway Co., Ltd.	0	42,092,000	0	42,092,000	Declared but not distributed yet	No
Dividends receivable aged over 1 year	2,494,980	2,494,980	0	4,989,960	Declared but not distributed yet	No
Including: Jiangsu Kuailu Motor Transport Co., Ltd.	2,494,980	2,494,980	0	4,989,960	Declared but not distributed yet	No
Total	4,989,960	146,498,546	75,914,763	75,573,743		

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories

Categories of inventories

Unit:RMB

Item	Gross carrying amount	Closing balance Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Opening balance Provision for decline in value of inventories	Net carrying amount
Properties under development	2,005,789,743	0	2,005,789,743	1,855,841,275	0	1,855,841,275
Properties for sale	37,085,309	0	37,085,309	68,429,415	0	68,429,415
Spare parts for repair and maintenance	12,549,429	0	12,549,429	11,005,677	0	11,005,677
Petrol	10,510,644	0	10,510,644	9,923,103	0	9,923,103
Total	<u>2,065,935,125</u>	<u>0</u>	<u>2,065,935,125</u>	<u>1,945,199,470</u>	<u>0</u>	<u>1,945,199,470</u>

Details of properties under development are as follows:

Project name	Commencement date	Estimated completion date	Estimated total investment amount	Opening balance	Closing balance
Huaqiao Project	July 2010	March 2016	2,382,000,000	447,216,015	504,750,036
Qingyuan	December 2010	October 2013	650,000,000	586,100,034	590,421,897
Baohua Hongyan Project	June 2012	December 2016	2,345,000,000	787,302,017	875,364,852
Huaqiao B3 Project	2015	2017	400,000,000	35,223,209	35,252,958
Total			<u>5,777,000,000</u>	<u>1,855,841,275</u>	<u>2,005,789,743</u>

Details of properties for sale are as follows:

Project name	Completion date	Opening balance	Addition	Decrease	Closing balance
Huaqiao C4 Tongcheng Hongqiao Mansion	August 2012	<u>68,429,415</u>	<u>0</u>	<u>31,344,106</u>	<u>37,085,309</u>



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other current assets

Unit:RMB

Item	Closing balance	Opening balance
Financial management product	126,000,000	123,500,000
Structured bank deposits	0	200,203,560
Business taxes and levies related to real estate sales paid in advance	4,367,974	3,322,606
Total	130,367,974	327,026,166

Financial management product represents "點貸成金" series issued by China Merchants Bank GoForture Co., and "共贏" series issued by Industrial and Commercial Bank of China. These products are non-capital preservation with floating income.

9. Investments in joint ventures and associates

Unit:RMB

Name of investee	Proportion of ownership interest held by the Group (%)	Proportion of voting power in the investee held by the Group (%)	Investee's total assets at the end of the period	Investee's total liabilities at the end of the period	Total net assets at the end of the period	Total operating income for the period	Net profit for the period
I. Joint ventures							
None							
II. Associates							
Jiangsu Kuailu Motor Transport Co., Ltd. ("Kuailu Co., Ltd.")	33.20	33.20	321,006,830	83,462,823	237,544,007	101,646,057	-1,611,023
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge")	26.66	26.66	8,931,001,000	5,616,052,139	3,314,948,861	493,304,710	134,994,127
Suzhou Sujiahang Expressway Co., Ltd. ("Sujiahang")	33.33	33.33	4,217,105,059	2,118,674,492	2,098,430,567	507,389,700	142,389,855
Suzhou Sujiayong Expressway Co., Ltd. ("Sujiayong")	30	30	368,126,068	118,396,000	249,730,068	0	-11,503
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	34.91	34.91	317,865,600	12,335,701	305,529,899	26,985,800	-1,032,210
Jiangsu Yanjiang Expressway Co., Ltd. ("Yanjiang")	29.81	29.81	6,722,545,804	2,231,991,280	4,490,554,524	624,471,960	174,744,895
Jiangsu Luode Equity Investment Fund Management Company Limited ("Jiangsu Luode")	39	39	15,000,000	0	15,000,000	0	0

There are no significant differences between the accounting policies and accounting estimates adopted by joint ventures or associates and those adopted by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term equity investments

(1) Details of long-term equity investments are as follows:

Unit: RMB

Investee	Accounting method	Investment cost	Opening balance	Changes	Closing balance	Proportion of ownership interest in the investee (%)	Provision for impairment losses	Provision for impairment losses for the period	Cash dividends for the period
Kuailu Co., Ltd.	Equity Method	49,899,600	67,398,346	-1,478,736	65,919,610	33.20	0	0	0
Yangtze Bridge	Equity Method	631,159,243	969,045,816	-32,101,482	936,944,334	26.66	0	0	56,983,566
Sujiahang	Equity Method	526,090,677	722,147,644	5,366,539	727,514,183	33.33	0	0	42,092,000
Suijiayong	Equity Method	75,000,000	74,922,471	-3,451	74,919,020	30	0	0	0
Nanlin Hotel	Equity Method	160,000,000	171,911,570	-360,554	171,551,016	34.91	0	0	0
Yanjiang	Equity Method	1,466,200,000	1,487,375,520	52,851,745	1,540,227,265	29.81	0	0	0
Jiangsu Luode	Equity Method	5,850,000	0	5,850,000	5,850,000	39	0	0	0
Shenzhen Ruijin Co., Ltd. ("Shenzhen Ruijin")	Cost Method	2,000,000	2,000,000	0	2,000,000	17.24	0	0	0
Jiangsu Leasing Co., Ltd. ("Jiangsu Leasing")	Cost Method	234,000,000	270,898,456	0	270,898,456	10.66	0	0	44,928,000
Jiangsu Sundian Engineering Co., Ltd. ("Sundian")	Cost Method	35,000,000	7,367,500	0	7,367,500	15	0	0	0
Jiangsu Expressway Network Operation and Management Co., Ltd. ("Network Operation Company")	Cost Method	4,300,000	4,300,000	0	4,300,000	8.84	0	0	0
Total		<u>3,189,499,520</u>	<u>3,777,367,323</u>	<u>30,124,061</u>	<u>3,807,491,384</u>				<u>144,003,566</u>

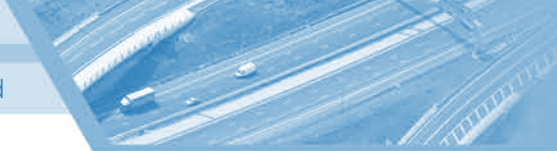
Note: The foregoing companies are all unlisted company registered in PRC.

Yanjiang Expressway

During the reportin period, Yanjiang increased share capital and brought in new shareholders and the direct shareholding of Guangjing Xicheng, a subsidiary of the Company, in Yanjiang declined from 32.26% to 29.81%.

Jiangsu Luode

During the reportin period, the Company's subsidiary Ninghu Investment established the "Jiangsu Luode Equity Investment Fund Management Company Limited" as one of the prompters. Jiangsu Luode has a registered capital of RMB30,000,000, out of which RMB11,700,000 were attributable to Ninghu Investment, representing 39% of the equity interest. RMB5,850,000 has already contributed to Jiangsu Luode during the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Investment properties

(1) Investment properties measured at cost

Unit:RMB

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Total original carrying amount				
1. Buildings	24,573,449	1,531,831	0	26,105,280
2. Land use rights	0	0	0	0
II. Total accumulated depreciation and amortisation				
1. Buildings	1,846,535	610,775	0	2,457,310
2. Land use rights	0	0	0	0
III. Total net book value of investment properties				
1. Buildings	22,726,914	921,056	0	23,647,970
2. Land use rights	0	0	0	0
IV. Total accumulated provision for impairment losses of investment properties				
1. Buildings	0	0	0	0
2. Land use rights	0	0	0	0
V. Total carrying amounts of investment properties				
1. Buildings	22,726,914	921,056	0	23,647,970
2. Land use rights	0	0	0	0

Depreciation and amortisation for the current period is RMB610,775.

Provision for impairment losses of investment properties for the current period is nil.

The investment properties represent the Zhongshan Meilu villa and business shops in Kunshan Huijiayayuan held by the Group.

The increase in the original carrying amount for the current period consists of an increase of RMB1,531,831 on transfer from fixed assets to investment properties.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Fixed assets

(1) Fixed assets

Unit: RMB

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Total original carrying amount	2,417,353,452	8,842,497	12,670,812	2,413,525,137
Including: Buildings	869,525,028	803,272	1,766,568	868,561,732
Safety equipment	400,601,357	0	0	400,601,357
Communication and surveillance equipment	259,786,684	522,390	2,743,917	257,565,157
Toll stations and ancillary equipment	292,746,258	1,442,819	6,671,633	287,517,444
Motor vehicles	169,051,928	1,292,233	975,900	169,368,261
Other machinery and equipment	425,642,197	4,781,783	512,794	429,911,186
II. Total accumulated depreciation	1,289,035,852	85,470,234	10,261,700	1,364,244,386
Including: Buildings	297,243,783	16,655,738	151,336	313,748,185
Safety equipment	283,571,707	16,090,234	0	299,661,941
Communication and surveillance equipment	169,439,465	12,440,513	2,581,575	179,298,403
Toll stations and ancillary equipment	170,719,795	13,946,182	6,091,986	178,573,991
Motor vehicles	104,785,284	6,210,348	946,623	110,049,009
Other machinery and equipment	263,275,818	20,127,219	490,180	282,912,857
III. Total net book value of fixed assets	1,128,317,600			1,049,280,751
Including: Buildings	572,281,245			554,813,547
Safety equipment	117,029,650			100,939,416
Communication and surveillance equipment	90,347,219			78,266,754
Toll stations and ancillary equipment	122,026,463			108,943,453
Motor vehicles	64,266,644			59,319,252
Other machinery and equipment	162,366,379			146,998,329



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Fixed assets (continued)

(1) Fixed assets (continued)

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
IV. Total provision for impairment losses				
Including: Buildings	0	0	0	0
Safety equipment	0	0	0	0
Communication and surveillance equipment	0	0	0	0
Toll stations and ancillary equipment	0	0	0	0
Motor vehicles	0	0	0	0
Other machinery and equipment	0	0	0	0
V. Total carrying amount of fixed assets	1,128,317,600			1,049,280,751
Including: Buildings	572,281,245			554,813,547
Safety equipment	117,029,650			100,939,416
Communication and surveillance equipment	90,347,219			78,266,754
Toll stations and ancillary equipment	122,026,463			108,943,453
Motor vehicles	64,266,644			59,319,252
Other machinery and equipment	162,366,379			146,998,329

The depreciation for the current period is RMB85,470,234.

Original amount of construction in progress transferred to fixed assets during the period is RMB2,106,646.

(2) Fixed assets leased out under operating leases

Unit:RMB

Item	Closing balance	Opening balance
Buildings	56,010,326	57,779,845

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Construction in progress

(1) Details of construction in progress are as follows:

Unit:RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment losses	Net carrying amount	Carrying amount	Provision for impairment losses	Net carrying amount
Expansion project of expressway toll station	8,169,777	0	8,169,777	8,169,777	0	8,169,777
Buildings of management office	14,735,978	0	14,735,978	6,649,347	0	6,649,347
The vehicle license plate recognition and charging software updating project of the toll station	5,161,510	0	5,161,510	5,161,510	0	5,161,510
Expansion project of Jiangyin north toll station	4,812,900	0	4,812,900	4,140,000	0	4,140,000
The experimental lighting project of Shanghai-Nanjing Expressway	17,572,688	0	17,572,688	3,095,291	0	3,095,291
The expansion of Huangtang toll station	1,827,720	0	1,827,720	1,580,000	0	1,580,000
Employees activity center	844,988	0	844,988	400,000	0	400,000
Others	7,399,810	0	7,399,810	1,598,380	0	1,598,380
Total	60,525,371	0	60,525,371	30,794,305	0	30,794,305

(2) Changes in significant construction in progress:

Unit:RMB

Item	Opening balance	Increase in current period	Transfer to fixed assets	Other decreases	Closing balance
	30,794,305	31,837,712	2,106,646	0	60,525,371

(3) The Group did not note any indicators of impairment; therefore there is no provision for impairment losses for construction in progress.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Intangible assets

(1) Intangible assets

Unit:RMB

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Total original carrying amount	23,574,554,258	0	169,638,505	23,404,915,753
Toll road operation rights	21,825,105,458	0	140,397,661	21,684,707,797
Land use right of				
Shanghai-Nanjing Expressway	1,710,521,846	0	29,240,844	1,681,281,002
Other land use rights	38,926,954	0	0	38,926,954
II. Total accumulated amortisation	6,936,932,398	388,863,979	48,318,313	7,277,478,064
Toll road operation rights	6,084,068,178	356,326,828	30,448,909	6,409,946,097
Land use right of				
Shanghai-Nanjing Expressway	839,356,980	31,681,487	17,869,404	853,169,063
Other land use rights	13,507,240	855,664	0	14,362,904
III. Total net book value of intangible assets	16,637,621,860			16,127,437,689
Toll road operation rights	15,741,037,280			15,274,761,700
Land use right of				
Shanghai-Nanjing Expressway	871,164,866			828,111,939
Other land use rights	25,419,714			24,564,050
IV. Total provision for impairment	0	0	0	0
Toll road operation rights	0	0	0	0
Land use right of				
Shanghai-Nanjing Expressway	0	0	0	0
Other land use rights	0	0	0	0
Total carrying amount of intangible assets	16,637,621,860			16,127,437,689

The amortisation for the current period is RMB388,863,979.

Description of intangible assets:

- (1) At 31 June 2013, bank loans amounting to RMB330,000,000 were secured by certain of the Group's toll road operation rights of approximately RMB1,539,451,972. The amortisation of such toll road operation rights was RMB59,114,539.
- (2) The decrease in the original carrying amount for the current period consisted of a decrease of RMB140,397,661 for toll road operation rights and RMB29,240,844 for land use rights on disposal of the Zhenjiang branch of Shanghai-Nanjing Expressway. For details, please refer to note VI (5).
- (3) The decrease in accumulated amortisation for the current period consisted of a decrease of RMB30,448,909 for toll road operation rights and RMB17,869,404 for land use rights on disposal of the Zhenjiang branch of Shanghai-Nanjing Expressway. For details, please refer to note VI (5).

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Deferred tax assets/deferred tax liabilities

- (1) Recognised deferred tax assets and deferred tax liabilities

Unit:RMB

Item	Closing balance	Opening balance
Deferred tax assets:		
Deductible losses	3,070,782	3,070,782
Provision for impairment losses of assets	4,173,767	4,173,767
Valuation of financial instruments held for trading and derivatives	316,141	483,636
Prepayment of Enterprise income tax and land appreciation tax for real estate pre-sale	4,470,783	4,470,783
Subtotal	12,031,473	12,198,968
Deferred tax liabilities:		
Valuation of financial instruments held for trading and derivatives	0	0
Subtotal	0	0

- (2) Details of taxable temporary differences and deductible temporary differences

Unit:RMB

Item	Amount
Closing balance:	
Deductible temporary differences and deductible losses:	
Deductible losses	12,283,129
Provision for impairment losses of assets	16,695,069
Valuation of financial instruments held for trading and derivatives	1,264,564
Prepayment of Enterprise income tax and land appreciation tax for real estate pre-sale	17,883,132
Subtotal	48,125,894
Taxable temporary differences:	
Valuation of financial assets held for trading and derivatives	0
Subtotal	0



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Deferred tax assets/deferred tax liabilities (continued)

(2) Details of taxable temporary differences and deductible temporary differences (continued)

Unit:RMB

Item	Amount
Opening balance:	
Deductible temporary differences and deductible losses:	
Deductible losses	12,283,129
Provision for impairment losses of assets	16,695,069
Valuation of financial instruments held for trading and derivatives	1,934,542
Prepayment of enterprise income tax and land appreciation tax for real estate pre-sale	17,883,132
Subtotal	<u>48,795,872</u>
Taxable temporary differences:	
Valuation of financial assets held for trading and derivatives	0
Subtotal	<u>0</u>

16. Short-term borrowings

(1) Categories of short-term borrowings:

Unit:RMB

Item	Closing balance	Opening balance
Unsecured loans	1,440,000,000	550,000,000
Including: Bank loans	1,250,000,000	400,000,000
Entrusted loans	190,000,000	150,000,000
Short-term bonds	2,000,000,000	2,000,000,000
Total	<u>3,440,000,000</u>	<u>2,550,000,000</u>

(2) There are no short-term borrowings overdue but not yet repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Accounts payable

- (1) Aging analysis of accounts payable is as follows:

Unit:RMB

Item	Closing balance	Opening balance
Within 1 year	299,636,331	220,837,365
1-2 years	2,420,436	62,123,300
2-3 years	0	0
Over 3 years	62,708,974	65,990,419
Total	364,765,741	348,951,084

Description of significant accounts payable aged more than one year:

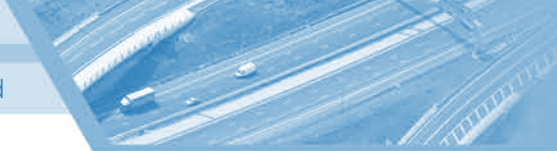
As at 30 June 2013, the accounts payable aged over 1 year of the group mainly represents the construction payable amounting to RMB62,708,974. The amount keeps unpaid because the construction settlement procedure is long.

- (2) Details of accounts payable are as follows:

Unit:RMB

Item	Closing balance	Opening balance
Construction payable	63,257,649	65,990,419
Construction payable for real estate project	257,183,344	225,753,070
Toll road fee payable	35,347,669	31,565,977
Daily purchase payable for service zones	8,390,311	24,828,975
Others	586,768	812,643
Total	364,765,741	348,951,084

- (3) There is no accounts payable to shareholders holding at least 5% of the Company's shares with voting power or to related parties in the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Receipts in advance

(1) Details of receipts in advance are as follows:

Unit:RMB

Item	Closing balance	Opening balance
Rental deposit received in advance	8,923,252	4,209,489
Advertising service fee received in advance	12,262,835	14,121,798
Income from properties for sales received in advance	74,955,456	47,445,689
Receipts in advance from transfer of zhenjiang branch	0	42,016,820
Others	80,000	80,000
Total	96,221,543	107,873,796

(2) There are no receipts in advance from shareholders holding at least 5% of the Company's shares with voting power or to related parties in the reporting period.

19. Employee benefits payable

Unit:RMB

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Wages or salaries, bonuses, allowances and subsidies	0	113,872,910	113,872,910	0
II. Staff welfare	0	10,864,443	10,864,443	0
III. Social security contributions	0	55,554,657	55,554,657	0
Including: Medical insurance	0	17,900,649	17,900,649	0
Basic pension insurance	0	22,078,266	22,078,266	0
Supplemental pension	0	11,714,925	11,714,925	0
Unemployment insurance	0	1,903,380	1,903,380	0
Compo insurance	0	1,015,668	1,015,668	0
Bearing insurance	0	941,769	941,769	0
IV. Housing funds	0	12,463,899	12,463,899	0
V. Termination benefits	0	276,524	276,524	0
VI. Others	2,331,953	17,281,181	18,025,693	1,587,441
Outlay for Labour union and employees education	2,331,953	2,453,460	3,197,972	1,587,441
Non-monetary welfare	0	6,879,069	6,879,069	0
Others	0	7,948,652	7,948,652	0
Total	2,331,953	210,313,614	211,058,126	1,587,441

The overdue employee benefits payable is: nil.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Taxes payable

Unit:RMB

Item	Closing balance	Opening balance
Enterprise income tax	117,919,839	207,727,785
Business tax	14,388,625	13,630,500
Land appreciation tax	1,350	0
VAT	2,512,458	1,820,539
Property tax	904,779	517,190
Individual income tax	32,242	1,974,205
Others	2,999,059	4,336,127
Total	138,758,352	230,006,346

21. Interest payable

Unit:RMB

Item	Closing balance	Opening balance
Interest payable of long-term borrowings with interest payable by installments and principal payable on maturity	609,583	2,746,410
Interest payable of enterprise bond	5,077,036	24,549,583
Interest payable of short-term borrowings	2,022,223	1,064,250
Interest payable of short-term bond	69,040,572	28,215,013
Total	76,749,414	56,575,256



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Dividends payable

Unit:RMB

Name of entity	Closing balance	Opening balance	Reasons dividends payable aged more than one year
Part of domestic shareholders subject to selling restrictions	113,403,609	98,980,462	Some shareholders did not draw out the dividends
China Merchants Huajian Highway Investment Co., Ltd.	254,334,079	23,634,074	N/A
Jiangsu Communications Holding Company Limited	587,328,377	0	N/A
Shareholders of tradable A shares	157,356,308	0	N/A
H shareholders	439,920,000	0	N/A
Total	<u>1,552,342,373</u>	<u>122,614,536</u>	

23. Other payables

(1) Details of other payables are as follows:

Unit:RMB

Item	Closing balance	Opening balance
312 toll road operation right acquisition costs payable	10,000,000	10,000,000
Construction quality warrantee fee payable	56,964,566	69,595,877
Others	38,751,769	44,433,975
Total	<u>105,716,335</u>	<u>124,029,852</u>

(2) There are no other payables to shareholders holding at least 5% of the Company's shares with voting power or to related parties.

(3) Description of significant other payables aged more than one year:

As at 30 June 2013, other payables aged more than one year mainly include construction quality warranty fee, construction costs payable and 312 toll road operation right acquisition costs payable.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Non-current liabilities due within one year

(1) Details of non-current liabilities due within one year are as follows:

Unit:RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	1,530,841	1,201,557,302

(2) Long-term borrowings due within one year

Unit:RMB

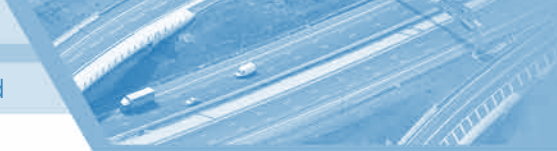
Item	Closing balance	Opening balance
Guaranteed loans	1,530,841	1,557,302
Non-guaranteed loans	0	1,200,000,000
Total	1,530,841	1,201,557,302

25. Other current liabilities

Unit:RMB

Item	Closing balance	Opening balance
Private Placement Bond	500,000,000	1,000,000,000

Other current liabilities represent the private placement bonds with 6 months maturity. The bonds were issued on 3 May 2013 with code of 031369001. The par value were RMB500,000,000 and nominal interest rate of 4.3%.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Long-term borrowings

(1) Categories of long-term borrowings

Unit:RMB

Item	Closing balance	Opening balance
Secured loans (note 1)	330,000,000	380,000,000
Guaranteed loans (note 2)	23,728,034	24,916,831
Non-guaranteed loans	0	1,250,000,000
Sub-total	353,728,034	1,654,916,831
Less: Non-current liabilities due within one year (note VI (24))	1,530,841	1,201,557,302
Total long-term borrowings mature after 1 year	352,197,193	453,359,529

Description of categories of long-term borrowings:

Note 1: A subsidiary of the Company, Guangjing Xicheng obtained bank loans amounting to RMB400,000,000 from Bank of Communications Jiangsu branch for the investment in Yanjiang. The bank loans were secured by toll road operation rights of Guangjing Xicheng. By the reporting period end, Guangjing Xicheng has repaid in advance with RMB70,000,000 in total. The interest rate is floating with the benchmark interest rate announced by the Peoples Bank of China. During current period, the annual interest rate is 6.4%.

Note 2: The Company obtained bank credit limit of USD9,800,000 from Jiangsu branch of Bank of China in 1998. The credit limit was used to import machinery and technology and guaranteed by Jiangsu Communications Holding Company Limited. The credit limits include buyer's credit loan of USD4,900,000 and Spanish government loan of USD4,900,000. The buyer's credit loan has been paid up in 2006. The Spanish government loan is paid up every half year from January 2009 to 2029 with annum interest rate of 2%.

27. Bond payable

Unit:RMB

Name of bond	Par value	Issue date	Term of the bond	Issue amount	Opening interest payable	Accrued interest for the period	Interest paid during the period	Closing interest payable	Closing balance
Private Placement Bond	500,000,000	18 June, 2012	3 years	495,765,250	716,991	664,584	0	1,381,575	497,146,825
Medium-term notes	500,000,000	21 June, 2013	5 years	492,500,000	0	36,943	0	36,943	492,536,943
Total	1,000,000,000			988,265,250	716,991	701,527	0	1,418,518	989,683,768

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Share capital

Unit: RMB

	Opening balance	Change for the period				Subtotal	Closing balance
		New issue of shares	Bonus issue	Capitalisation of surplus reserve	Others		
In the first half of 2013							
I. Restricted tradable shares							
1. State-owned shares	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	0	0	0	0	0
3. Other domestic-owned shares	46,908,745	0	0	0	0	0	46,908,745
4. Other foreign-owned shares	0	0	0	0	0	0	0
Total restricted tradable shares	46,908,745	0	0	0	0	0	46,908,745
II. Tradable shares							
1. Ordinary shares denominated in RMB	3,768,838,755	0	0	0	0	0	3,768,838,755
2. Foreign-owned shares listed domestically	0	0	0	0	0	0	0
3. Foreign-owned shares listed overseas	1,222,000,000	0	0	0	0	0	1,222,000,000
4. Others	0	0	0	0	0	0	0
Total tradable shares	4,990,838,755	0	0	0	0	0	4,990,838,755
III. Total shares	5,037,747,500	0	0	0	0	0	5,037,747,500

In accordance with the Company's state share reform proposal adopted by the Company's shareholders' meeting on 24 April 2006 (the "Share Reform Proposal"), the shareholders of the non-tradable shares, which comprised the state shares, state legal person shares and legal person shares, offered a transfer of 3.2 non-tradable shares to the then shareholders of A-shares for every 10 "A" shares held by the then shares holders of A-shares in exchange for the approval by the shareholders of A-shares to convert all remaining non-tradable shares into restricted tradable shares. As a result, in the year 2006, 48,000,000 non-tradable shares were transferred to the then shareholders of A-shares as consideration for the approval by the non-tradable shareholders, and these 48,000,000 non-tradable shares were granted trading status as A shares on 16 May 2006. After the transfer of the consideration 48,000,000 non-tradable shares, part of them have been transferred to the category of tradable A share upon the granting of trading status on 16 May 2007, 14 June 2007, 27 July 2007, 28 February 2008, 10 October 2008, 8 June 2009, 10 March 2010, 17 December 2010, 20 May 2011, 29 July 2011 and 17 August 2012 separately.

The Group did not purchase, sale or repurchase shares of the Company for the current period.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Capital reserve

Unit:RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
In the first half of 2013				
Capital premium	4,801,561,763	0	0	4,801,561,763
Including: Capital contributed by investors	4,801,561,763	0	0	4,801,561,763
Other comprehensive income	81,405,369	0	11,107,350	70,298,019
Other capital reserve	2,682,977,235	0	0	2,682,977,235
Including: Transfer from capital reserve under the previous accounting system	2,682,977,235	0	0	2,682,977,235
Total	7,565,944,367	0	11,107,350	7,554,837,017

Description of capital reserve:

During the period, other comprehensive income decreased from the fair value adjustment of the available for sale financial assets of Yangtze Bridge, one of the associates of the Group. The Group adjusted capital reserve at the share proportion.

30. Retained profits

Unit:RMB

Item	Amount	Proportion of appropriation
In the first half of 2013		
Retained profits at the end of prior period	3,535,043,036	
Add: Net profit attributable to owners of the Company for the year	1,435,271,562	
Less: Appropriation to statutory surplus reserve	0	
Declaration of dividends on ordinary shares	1,813,589,100	Cash dividends of RMB 0.36 per share
Retained profits at the end of the period	3,156,725,498	

Note : Cash dividends approved in shareholders' meeting during the year

In 2013, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share), dividends in cash of RMB0.36 per share were distributed to all the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Operating income and operating costs

(1) Operating income

Unit:RMB

Item	Amount recognised in the current period		Amount recognised in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	3,607,626,662	1,682,758,241	3,711,148,768	1,803,275,014
Including:				
Shanghai-Nanjing Expressway	2,166,952,583	491,512,684	2,139,654,572	464,799,022
312 National Highway	25,587,668	67,337,195	53,458,675	112,790,318
Guangjing Xicheng Expressway	351,129,976	95,756,063	349,572,225	102,013,748
Nanjing-Lianyungang Highway	16,567,608	8,477,388	16,255,516	7,913,324
Ancillary services	1,047,388,827	1,019,674,911	1,152,207,780	1,115,758,602
Real estate development and advertising	60,846,116	37,434,664	18,207,644	5,547,915
Total	<u>3,668,472,778</u>	<u>1,720,192,905</u>	<u>3,729,356,412</u>	<u>1,808,822,929</u>

(2) Principal operating activities (classified by geographical areas): The principal operation activities of the Group are held in Jiangsu Province.

32. Business taxes and levies

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Basis of calculation
Construction and maintenance tax	6,069,565	6,002,547	7% of actual paid turnover taxes
Education surcharge	4,392,327	4,825,683	5% of actual paid turnover taxes
Land appreciation tax	871,086	0	progressive rates ranging from 30% to 60%
Culture construction fee	425,229	0	
Total	<u>95,168,956</u>	<u>93,318,715</u>	



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial expenses

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expense	119,253,459	155,181,454
Less: Capitalised interest expenses	0	0
Less: Interest income	2,360,809	3,757,342
Exchange differences	399,143	-95,026
Others	1,829,076	698,776
Total	118,322,583	152,217,914

34. Gains from changes in fair values

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets	669,980	-1,090,228
Total	669,980	-1,090,228

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Investment income

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under cost method	44,928,000	400,000
Income from long-term equity investments under equity method	134,456,977	89,276,092
Investment income from available-for-sale financial assets	2,215,725	13,497,815
Total	181,600,702	103,173,907

36. Non-operating income

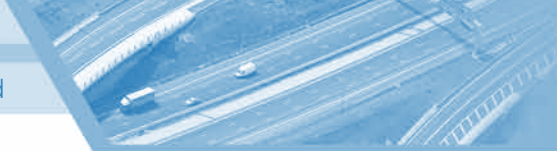
Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Total gains on disposal of non-current assets	89,446,488	53,750
Including: Gains on disposal of fixed assets	682,580	53,750
Gains on disposal of intangible assets	88,763,908	0
Compensation income from damaged road	3,892,272	3,682,818
Government grants	0	0
Others	479,862	150,009
Total	93,818,622	3,886,577

37. Non-operating expenses

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Total losses on disposal of non-current assets	699,289	483,967
Including: Losses on disposal of fixed assets	699,289	483,967
Repair expenditure of damaged road	7,774,669	5,609,689
Donation	830,000	800,000
Others	726,852	1,250,810
Total	10,030,810	8,144,466



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Income tax expense

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expense calculated according to tax laws and relevant requirements — PRC	443,858,809	408,200,581
Adjustments to deferred tax	167,495	-272,557
Total	444,026,304	407,928,024

39. Calculation process of basic earnings per share and diluted earnings per share

For the purpose of calculating basic earnings per share, net profit for the current period attributable to ordinary shareholders is as follows:

Unit:RMB

	Amount for the current period	Amount for the prior period
Net profit for the current period attributable to ordinary shareholders	1,435,271,562	1,260,780,226
Including: Net profit from continuing operations	1,435,271,562	1,260,780,226
Net profit from discontinued operations	0	0

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

Unit:RMB

	Amount for the current period	Amount for the prior period
Number of ordinary shares outstanding at the beginning of period	5,037,747,500	5,037,747,500
Add: Weighted average number of ordinary shares issued during the period	0	0
Less: Weighted average number of ordinary shares repurchased during the period	0	0
Number of ordinary shares outstanding at the end of period	5,037,747,500	5,037,747,500

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Calculation process of basic earnings per share and diluted earnings per share (continued)

Earnings per share

Unit:RMB

	Amount for the current period	Amount for the prior period
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	0.2849	0.2503
Diluted earnings per share	N/A	N/A
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	0.2849	0.2503
Diluted earnings per share	N/A	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	N/A	N/A
Diluted earnings per share	N/A	N/A

40. Other comprehensive income

Unit:RMB

Item	Amount for the current period	Amount for the prior period
Share of other comprehensive income of the investee accounted for using the equity method	-11,107,350	24,710,887



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Notes to items in the cash flow statement

- (1) Other cash receipts relating to operating activities

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Receipts from compensation of damaged road, non-operating income and bank deposits received	21,135,135	12,099,789
Total	21,135,135	12,099,789

- (2) Other cash payments relating to operating activities

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Payment of non-salary and other expenditure	35,543,999	23,968,053
Total	35,543,999	23,968,053

- (3) Other cash receipts relating to investing activities: nil

- (4) Other cash payments relating to investing activities: nil

- (5) Other cash receipts relating to financing activities: nil

- (6) Other cash payments relating to financing activities:

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Bond issue fee and other charges of loans	3,032,252	250,000
Total	3,032,252	250,000

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Amount incurred in the current period	Amount incurred in the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,474,322,211	1,287,416,347
Add: Reversals of provision for impairment losses of assets	0	0
Depreciation of fixed assets	85,470,234	83,404,516
Amortisation of intangible assets	388,863,979	423,747,651
Amortisation of long-term prepaid expenses	233,470	200,040
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by “-”)	-88,747,199	430,217
Losses on changes in fair values (gains are indicated by “-”)	-669,980	1,090,228
Financial expenses (income is indicated by “-”)	120,307,440	153,293,195
Losses arising from investments (gains are indicated by “-”)	-181,600,702	-103,173,907
Decrease in deferred tax assets (increase is indicated by “-”)	167,495	-272,557
Increase in deferred tax liabilities (decrease is indicated by “-”)	0	0
Decrease in inventories (increase is indicated by “-”)	-120,735,655	-85,763,340
Decrease in receivables from operating activities (increase is indicated by “-”)	-212,870,742	-64,838,564
Increase in payables from operating activities (decrease is indicated by “-”)	20,768,801	-231,680,980
Others- depreciation of investment properties	610,775	312,830
Net cash flow from operating activities	1,486,120,127	1,464,165,676
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital	0	0
Convertible bonds due within one year	0	0
Fixed assets acquired under finance leases	0	0
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,564,079,250	780,090,412
Less: Opening balance of cash	686,484,787	806,129,927
Net increase (decrease) in cash and cash equivalents	877,594,463	-26,039,515



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit:RMB

Name of the parent	Related party relationship	Type of the entity	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)	Ultimate controlling party of the Company	Organisation code
Jiangsu Communications Holding Company Limited ("Communications Holding")	Parent company and ultimate shareholder	State owned	Nanjing, Jiangsu Province	Yang Gen Lin	Investment, construction, operation and management of traffic infrastructure, transportation and other relevant industry	16,800,000,000	54.44	54.44	Communications Holding	13476706-3

2. Subsidiaries of the Company

Unit:RMB

Full name of subsidiary	Type of the subsidiary	Type of the entity	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of ownership interests (%)	Organisation code
Guangjing Xicheng	Non-wholly owned subsidiary	Limited liability company	Nanjing	Chang Qing	Service	850,000,000	85	71408945-7
Wuxi Jingcheng Advertising Co., Ltd.	Non-wholly owned subsidiary	Limited liability company	Wuxi	Xu Ze Min	Service	1,000,000	85	72352469-9
Ninghu Investment	Non-wholly owned subsidiary	Limited liability company	Nanjing	Qian Yong Xiang	Investment and service	100,000,000	95	74236487-4
Kunshan Fengyuan	Non-wholly owned subsidiary	Limited liability company	Kunshan	Qian Yong Xiang	Real estate	42,000,000	95	78765432-2
Ninghu Properties	Wholly owned subsidiary	Limited liability company	Nanjing	Qian Yong Xiang	Real estate	500,000,000	100	67763731-0
Kunshan Properties	Wholly owned subsidiary	Limited liability company	Kunshan	Chen Hong Tu	Real estate	200,000,000	100	69449070-1

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

3. Associates and joint ventures of the entity

Unit:RMB

Name of investee	Type of the entity	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of ownership interest held by the Company (%)	Proportion of voting power in investee held by the Company (%)	Related party relationship	Organisation code
I. Joint ventures									
N/A									
II. Associates									
Kuailu Co., Ltd.	State owned	Nanjing	Sun Hong Ning	Service	150,300,000	33.20	33.20	Associate	13478934-2
Yangtze Bridge	State owned	Nanjing	Chen Xiang Hui	Service	2,137,248,000	26.66	26.66	Associate	13476509-2
Sujiahang	State owned	Suzhou	Yao Zhen Kang	Service	1,578,600,000	33.33	33.33	Associate	13776920-8
Sujiayong	State owned	Suzhou	Qian Jin Long	Service	100,000,000	30	30	Associate	59698120-8
Nanlin Hotel	State owned	Suzhou	Sun Hong Ning	Service	227,715,968	34.91	34.91	Associate	13773558-5
Yanjiang	State owned	Suzhou	Yang Fei	Service	3,355,000,000	29.81	29.81	Associate	73072605-7
Jiangsu Luode	Limited liability company	Nanjing	Qian Yong xiang	Equity investment fund management	30,000,000	39	39	Associate	06708083-4

4. Other related parties of the Company

Name of other related party	Relationship between other related parties and the Company	Organisation code
Network Operation Company	Same ultimate shareholder	77050954-0
Sundian	Same ultimate shareholder	74821796-3
Jiangsu Expressway Petroleum Company ("Jiangsu Petroleum")	Same ultimate shareholder	73572481-9
Jiangsu Leasing	Same ultimate shareholder	13475854-6
Jiangsu Far East Shipping Co., Ltd. ("Far Ease Shipping")	Same ultimate shareholder	73225111-2



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

5. Related party transactions

- (1) Sales and purchase of goods, provision and receipt of services

Unit:RMB

Related party	Type of related party transactions	Details of related party transaction	Pricing and decision-making procedures of related party transactions	Amount for the current period		Amount for the prior period	
				Amount	Proportion of the amount of related party transactions to that of similar transactions (%)	Amount	Proportion of the amount of related party transactions to that of similar transactions (%)
Kuailu Co., Ltd.	Goods sold	Petrol fee	For significant related party transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related director should abstain from voting. The independent directors should then express an independent opinion. For other insignificant related party transactions, the price is settled by signed contracts.	5,219,138	1	12,341,751	1
Kuailu Co., Ltd.	Service provided	Toll road fee		3,900,000	0	3,900,000	0
Yangtze Bridge	Service received	Toll service expenses		0	0	131,900	100
Network Operation Company	Service received	Management fee for toll road system management and maintenance		12,169,024	100	11,260,402	100
Sundian	Service received	Road maintenance fee		13,000,000	38	6,037,662	18
Sundian	Goods sold	Petrol fee		305,222	0	264,344	0
Nanlin Hotel	Service received	Food and beverage		19,415	0	11,457	0
Far East Shipping	Financing	Interest of entrusted loan		5,695,723	5	6,751,178	4

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Leases with related parties

Unit:RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognised in the current period	Lease income recognised in the prior period	Basis of determining the lease income	Effect to the Company
The Company	Network Operation Company	Buildings lease	2,230,000	2,230,000	Base on cost recovery principle, and tax effect considered as well	Not significant
The Company	Sundian	Buildings lease	845,000	845,000	Base on cost recovery principle, and tax effect considered as well	Not significant
Guangjing Xicheng	Jiangsu Petroleum	Petrol business lease	1,805,700	1,939,500	The leasing fee is calculated on the basis of the sales volume of the petroleum products at RMB100 per ton, with the minimum leasing fee amounted to RMB500,000 per annum	Not significant

(3) Guarantees with related parties

Unit:RMB

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Communications Holding	The Company	23,728,034	15 October 1998	18 July 2027	Not completed

(4) Borrowings/loans with related parties

During the half year:

Unit:RMB

Related party	Amount of borrowing/loan	Inception date	Maturity date	Amount at the end of the current period	Remarks
Borrowed from:					
Far East Shipping	40,000,000	29 March 2013	29 March 2014	40,000,000	Entrusted loan with annual interest rate of 6%
Far East Shipping	50,000,000	10 May 2013	10 May 2014	50,000,000	Entrusted loan with annual interest rate of 6%
Far East Shipping	100,000,000	25 June 2013	25 June 2014	100,000,000	Entrusted loan with annual interest rate of 6%
Lend to:					
N/A					

Note: As at 30 June 2013, the balance of borrowing from related parties amounted to RMB190,000,000.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(4) Borrowings/loans with related parties (continued)

In the same period of last year:

Unit:RMB

Related party	Amount of borrowing/loan	Inception date	Maturity date	Amount at the end of the prior period	Remarks
Borrowed from:					
Far East Shipping	100,000,000	10 May 2012	10 May 2013	100,000,000	Entrusted loan with annual interest rate of 6.56%
Lend to:					
N/A					

6. Amounts due from / to related parties

(1) Amounts due from related parties

Unit:RMB

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accountants receivable	Kuailu Co., Ltd.	4,550,000	0	2,463,438	0
	Sujiahang	7,038,284	0	9,064,124	0
	Yangtze Bridge	88,421	0	159,423	0
	Yanjiang	0	0	223,780	0
	Jiangsu Petroleum	1,805,700	0	2,031,600	0
	Sundian	0	0	0	0
Subtotal		13,482,405	0	13,942,365	0
Other receivables	Sundian	638,504	0	0	0
	Network Operation Company	3,546,702	0	0	0
Subtotal		4,185,206	0	0	0
Dividends receivable	Kuailu Co., Ltd.	4,989,960	0	4,989,960	0
	Yangtze Bridge	28,491,783	0	0	0
	Sujiahang	42,092,000	0	0	0
Subtotal		75,573,743	0	4,989,960	0

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. Amounts due from / to related parties (continued)

(2) Amounts due to related parties

Unit:RMB

Item	Related party	Closing balance	Opening balance
Accounts payable	Sujiahang	2,009,209	1,951,329
	Yangtze Bridge	1,233,473	5,239,573
	Yanjiang	1,175,808	4,334,251
Subtotal		4,418,490	11,525,153
Receipts in advance	Sundian	80,000	361,667
Subtotal		80,000	361,667
Other payable	Network Operation Company	12,276,483	2,710,293
	Sundian	11,411,579	3,857,482
Subtotal		23,688,062	6,567,775
Interest payable	Far East Shipping	250,000	289,208

VIII. CONTINGENCIES

Ninghu Properties, a subsidiary of the Group provides guarantees to banks for bank borrowings granted to buyers of properties Kunshan Huaqiao Tingeing Hongqiao Mansion. The obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to bank. As at 30 June 2013, the outstanding guarantees amounted to approximately RMB17,027,000.

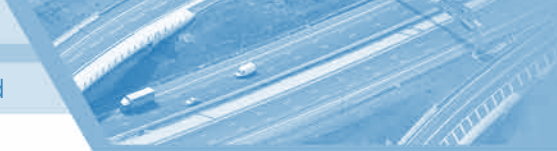
IX. COMMITMENTS

1. Significant commitments

(1) Capital commitments

Unit:RMB

	Closing balance	Opening balance
Capital commitments that have been entered into but have not been recognised in the financial statements:		
— Commitment for acquisition and construction of long-term assets	348,914,309	44,087,260
Total	348,914,309	44,087,260



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

IX. COMMITMENTS (continued)

1. Significant commitments (continued)

(2) Operating lease commitments

At the balance sheet date, the Group had the following commitments in respect of non-cancellable operating leases:

Unit: RMB

	Closing balance	Opening balance
Minimum lease payments under non-cancellable operating leases:		
1 st year subsequent to the balance sheet date	1,901,596	4,901,596
2 nd year subsequent to the balance sheet date	1,712,500	2,629,167
3 rd year subsequent to the balance sheet date	1,575,000	1,575,000
Subsequent periods	5,189,096	9,105,763

(3) Other commitments

The Group is committed to pay in the following year to Jiangsu Ninglian Ningtong Management Office, an independent third party, a management service charge calculated at a fixed rate of 17% of the total toll revenue collected that year on Nanjing-Lianyungang Highway per annum for a term of 30 years from 1 January 2000.

X. EVENTS AFTER THE BALANCE SHEET DATE

- The seventh session of the Board of the Company considered and approved at its 7th meeting the Company's participation in the share capital enlargement of Bank of Jiangsu Co., Ltd. ("the Bank of Jiangsu") by investing RMB1,000,000,000 to acquire 200,000,000 shares to be issued by the Bank of Jiangsu in its non-public private placement at RMB5.00 for each share, representing approximately 1.92% of the enlarged share capital of Bank of Jiangsu. The share capital enlargement of the Bank of Jiangsu was approved by the State-owned Assets Supervision and Administration Commission of Jiangsu.
- The Company completed the issue of short term private placement bonds of RMB600,000,000 on 30 July 2013, with maturity on 30 July 2014 and interest rate of 5.3%.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XI. OTHER SIGNIFICANT EVENTS

1. Net current assets (liabilities)/Total assets less current liabilities

Unit:RMB

	Closing balance	Opening balance
Current assets	5,325,315,036	4,239,711,104
Total assets	26,406,015,769	25,849,257,639
Less: current liabilities	6,277,672,040	5,743,940,125
Net current liabilities	<u>-952,357,004</u>	<u>-1,504,229,021</u>
Total assets less current liabilities	<u>20,128,343,729</u>	<u>20,105,317,514</u>

Note: The Group closely monitors its cash position from its operation and the directors consider that the Group has sufficient liquid assets generated from its operations and sufficient available undrawn short-term borrowing facilities at 30 June 2013 of RMB5,853,100,000 to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, although the Group had net current liabilities of RMB952,357,004 (Beginning of 2013: RMB 1,504,229,021) at the end of the reporting period, the Group has well managed the liquidity risk.

2. Net Profit for the period has been arrived at after charging:

Unit:RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Staff costs (Include: directors' emoluments)	176,520,423	162,476,740
Retirement benefits scheme contributions	33,793,191	30,344,424
Total staff costs	210,313,614	192,821,164
Depreciation and amortisation (Included in operating costs and administrative expenses)	442,641,307	474,615,016
Losses on disposal of non-current assets	699,289	483,967
Amortization of land use rights (Included in operating costs and administrative expenses)	32,537,151	32,537,151
Cost of properties for sale	31,344,106	0
Cost of other inventories recognized as an expense	955,159,186	1,055,931,031



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XI. OTHER SIGNIFICANT EVENTS *(continued)*

3. Others

3(1). Segment

Based on the Group's internal organisation structure, management requirements and internal reporting system, the operations of the Group are classified into 6 reporting segments. The reporting segments are determined based on the standard with which the Group's management evaluates the operating results of these reporting segments and make decisions about resources to be allocated to the 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. Major products and services delivered or provided by each of the reporting segments are Shanghai-Nanjing Expressway, 312 National Highway, Nanjing-Lianyungang Highway, Guangjing Xicheng Expressway, Ancillary services and Real estate development and advertisement.

Ancillary services include petrol, food and beverage and retail service in service zone along the expressways.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XI. OTHER SIGNIFICANT EVENTS (continued)

3. Others (continued)

3(1). Segment (continued)

Segment information

Unit: RMB

	Shanghai-Hanjing Expressway		312 National Highway		Nanjing-Lianyungang Highway		Guangdong Xiche Expressway		Ancillary services		Real estate, investment and advertisement		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	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	2,166,952,383	2,139,654,572	26,587,688	53,458,675	16,597,608	16,255,516	351,129,976	349,572,225	1,047,388,827	1,152,207,790	60,846,116	18,207,644	0	0	3,688,472,778	3,729,336,412
Operating costs	491,512,884	464,789,022	67,237,195	112,790,318	8,477,388	7,913,324	96,756,083	102,013,748	1,019,674,911	1,115,758,602	37,434,684	5,547,915	0	0	1,720,192,905	1,808,822,929
Segment operating profit (loss)	1,675,439,499	1,674,865,550	-41,749,507	-58,331,643	8,090,220	8,342,192	255,373,913	247,558,477	27,713,916	36,449,178	23,411,432	12,659,729	0	0	1,948,279,873	1,920,533,483
Reconciling items:																
Business taxes and levies	72,830,807	71,882,384	1,432,309	2,953,886	558,672	546,185	11,767,987	11,746,627	4,757,796	4,537,343	3,814,015	1,553,480	0	0	95,168,956	93,918,715
Selling expenses	0	0	0	0	0	0	0	0	0	0	4,205,384	1,074,099	0	0	4,205,384	1,074,099
Administrative expenses	31,681,487	31,681,487	0	0	0	0	0	0	0	0	0	0	0	0	78,292,929	76,404,174
Financial expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	118,322,983	162,217,914
Impairment loss of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gains from changes in fair values	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	669,980	-1,090,228
Operating profit	1,570,948,805	1,571,281,669	-43,182,436	-62,325,329	7,533,548	7,796,007	245,575,946	235,812,850	22,956,130	31,861,835	15,392,053	10,032,150	17,336,657	-94,656,922	1,834,550,703	1,699,802,290
Non-operating income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93,818,622	3,886,577
Non-operating expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,030,810	8,144,466
Total profit	1,570,948,805	1,571,281,669	-43,182,436	-62,325,329	7,533,548	7,796,007	245,575,946	235,812,850	22,956,130	31,861,835	15,392,053	10,032,150	10,124,469	-99,114,811	1,918,346,515	1,895,344,371
Income tax expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	444,026,304	407,928,024
Net profit	1,570,948,805	1,571,281,669	-43,182,436	-62,325,329	7,533,548	7,796,007	245,575,946	235,812,850	22,956,130	31,861,835	15,392,053	10,032,150	-94,361,835	-507,040,835	1,474,322,211	1,287,416,347
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
Total segment assets	13,828,213,604	14,085,406,471	1,222,332,366	1,251,561,791	322,197,916	327,869,711	1,590,065,680	1,654,992,512	362,679,552	401,810,292	2,380,423,881	2,305,174,094	6,700,062,650	5,822,693,808	26,406,015,789	25,849,257,639

Segment profit represents the gross profit earned by each segment without allocation of administrative expenses, finance costs, and investment income. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to segments other than long-term equity investment, held-for-trading financial assets and cash and bank balances etc.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit:RMB

Category	Closing balance				Opening balance			
	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	47,334,320	76	0	0	48,117,672	69	0	0
Accounts receivable for which bad debt provision has been assessed by portfolios	15,190,556	24	0	0	21,849,529	31	0	0
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	0	0	0	0	0	0	0	0
Total	62,524,876	100	0	0	69,967,201	100	0	0

Explanations of categories of accounts receivable:

Aging analysis of accounts receivables is as follows:

Unit:RMB

Aging	Closing balance				Opening balance			
	Amount	Proportion (%)	Bad debt provision	Carrying amount	Amount	Proportion (%)	Bad debt provision	Carrying amount
Within 1 year	62,524,876	100	0	62,524,876	69,967,201	100	0	69,967,201
More than 1 year but not exceed 2 years	0	0	0	0	0	0	0	0
More than 2 years but not exceeding 3 years	0	0	0	0	0	0	0	0
More than 3 years	0	0	0	0	0	0	0	0
Total	62,524,876	100	0	62,524,876	69,967,201	100	0	69,967,201

(2) There are no prepayments to shareholders holding at least 5% of the Company's shares with voting power in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Prepayments

- (1) Aging analysis of prepayments is as follows

Unit:RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	22,144,011	100	11,846,942	100
1-2 years	7,490	0	0	0
Total	22,151,501	100	11,846,942	100

- (2) No prepayments to shareholders holding at least 5% of the Company's shares with voting power in the reporting period.
- (3) Explanations of prepayments:

Disclosure of prepayments by client categories is as follows:

Unit:RMB

Category	Closing balance	Opening balance
Individually significant prepayments	19,802,760	10,401,936
Individually insignificant prepayments but with significant risks after being grouped according to credit risk characteristics	0	0
Other insignificant prepayments	2,348,741	1,445,006
Total	22,151,501	11,846,942



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Other receivables

(1) Disclosure of accounts receivable by categories:

Unit:RMB

Category	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision has been assessed individually	2,638,888,067	100	16,312,140	98	2,332,621,800	99	16,312,140	98
Other receivable for which bad debt provision has been assessed by portfolios	0	0	0	0	0	0	0	0
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	12,536,597	0	382,097	2	10,358,780	1	382,097	2
Total	2,651,424,664	100	16,694,237	100	2,342,980,580	100	16,694,237	100

Explanations of categories of other receivables:

Aging analysis of other receivables is as follows:

Unit:RMB

Aging	Closing balance				Opening balance			
	Amount	Proportion (%)	Bad debt provision	Carrying amount	Amount	Proportion (%)	Bad debt provision	Carrying amount
Within 1 year	1,575,103,924	59	380,196	1,574,723,728	1,256,645,806	54	367,067	1,256,278,739
More than 1 year but not exceed 2 years	30,000,000	1	1,901	29,998,099	40,009,505	2	1,901	40,007,604
More than 2 years but not exceed 3 years	8,600	0	0	8,600	430,000,000	18	0	430,000,000
More than 3 years	1,046,312,140	40	16,312,140	1,030,000,000	616,325,269	26	16,325,269	600,000,000
Total	2,651,424,664	100	16,694,237	2,634,730,427	2,342,980,580	100	16,694,237	2,326,286,343

(2) No other receivables due from shareholders holding at least 5% of the Company's shares with voting power in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Long-term equity investments

(1) Details of long-term equity investments are as follows:

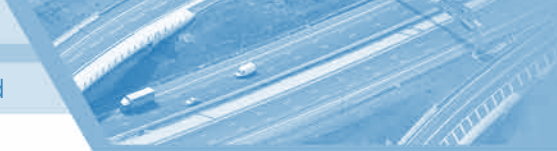
Unit:RMB

Investee	Accounting method	Investment cost	Opening balance	Changes	Closing balance	Proportion of ownership interest in the investee (%)	Proportion of voting power in the investee (%)	Explanation of the inconsistency between the proportion of ownership interest and the proportion of voting power	Provision for impairment losses	Provision for impairment losses for the period	Cash dividends for the period
Associates:											
Kuailu Co., Ltd.	Equity method	49,899,600	67,398,346	-1,478,736	65,919,610	33.20	33.20	No	0	0	0
Yangtze Bridge	Equity method	631,159,243	969,045,816	-32,101,482	936,944,334	26.66	26.66	No	0	0	56,983,566
Sujiahang	Equity method	526,090,677	722,147,644	5,366,539	727,514,183	33.33	33.33	No	0	0	42,092,000
Suijiayong	Equity method	75,000,000	74,922,471	-3,451	74,919,020	30	30	No	0	0	0
Subsidiaries:											
Guangjing											
Xicheng	Cost method	2,125,000,000	2,125,000,000	0	2,125,000,000	85.00	85.00	No	0	0	105,619,508
Ninghu											
Investment	Cost method	95,000,000	95,000,000	0	95,000,000	95.00	95.00	No	0	0	0
Ninghu											
Properties	Cost method	500,000,000	500,000,000	0	500,000,000	100.00	100.00	No	0	0	0
Other equity investments:											
Sundian Network Operation Company											
Sundian Network Operation Company	Cost method	24,500,000	3,685,500	0	3,685,500	7.50	7.50	No	0	0	0
	Cost method	2,150,000	2,150,000	0	2,150,000	4.42	4.42	No	0	0	0
Total	—	4,028,799,520	4,559,349,777	-28,217,130	4,531,132,647						204,695,074
Less: provision for impairment losses											
			0	0	0						
Net book value of long-term equity investments											
		4,028,799,520	4,559,349,777	-28,217,130	4,531,132,647						204,695,074

(2) List of associates and principle financial information refer to note VI 9 and 10.

(3) As at 30 June 2013, the ability of capital transfer from those long-term equity investment companies to the Company is not restricted.

The foregoing companies are all unlisted company registered in PRC.



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

5. Operating income and operating costs

Unit:RMB

Item	Amount recognised in the current period		Amount recognised in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income				
Including:				
Shanghai-Nanjing Expressway	2,166,952,583	491,512,684	2,139,654,572	464,799,022
312 National Highway	25,587,668	67,337,195	53,458,675	112,790,318
Nanjing-Lianyungang Highway	16,567,608	8,477,388	16,255,516	7,913,324
Ancillary services	1,035,499,808	1,006,792,169	1,138,986,154	1,101,886,077
Total	<u>3,244,607,667</u>	<u>1,574,119,436</u>	<u>3,348,354,917</u>	<u>1,687,388,741</u>

6. Investment income

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Income from long-term equity investments under cost method	105,619,508	117,661,684
Income from long-term equity investments under equity method	81,965,786	89,422,078
Investment income from available-for-sale financial assets	202,008	9,361,185
Total	<u>187,787,302</u>	<u>216,444,947</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

7. Notes to items in the cash flow statement

- (1) Other cash receipts relating to operating activities

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Receipts from compensation of damaged road, non-operating income and bank deposits interest received	3,313,954	6,004,802

- (2) Other cash payments relating to operating activities

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Payment of non salary and other expenditure	29,056,747	20,856,241

- (3) Other cash receipts relating to investing activities: N/A

- (4) Other cash payments relating to investing activities

Unit:RMB

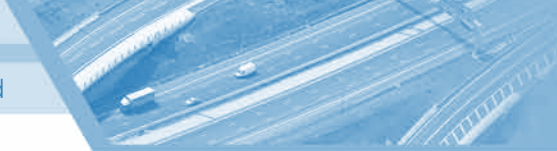
Item	Amount incurred in current period	Amount incurred in prior period
Payment to Ninghu Properties as other receivables	220,000,000	90,000,000

- (5) Other cash payments relating to financing activities: N/A

- (6) Other cash payments relating to financing activities:

Unit:RMB

Item	Amount incurred in current period	Amount incurred in prior period
Bond issue fee and other loan charges	3,032,252	250,000



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2013

XII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

8. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit:RMB

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,316,635,104	1,227,572,256
Add: Reversals of provision for impairment losses of assets	0	0
Depreciation of fixed assets	68,527,825	68,568,189
Amortisation of intangible assets	329,350,861	357,745,238
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by “-”)	-89,078,274	236,361
Financial expenses	99,173,138	161,463,529
Losses arising from investments (gains are indicated by “-”)	-187,787,302	-216,444,947
Decrease in deferred tax assets (increase is indicated by “-”)	0	0
Decrease in inventories (increase is indicated by “-”)	-2,006,767	-6,195,388
Decrease in receivables from operating activities (increase is indicated by “-”)	-91,306,318	-52,167,527
Increase in payables from operating activities (decrease is indicated by “-”)	-8,705,884	-184,241,977
Net cash flow from operating activities	1,434,802,383	1,356,535,734
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital	0	0
Convertible bonds due within one year	0	0
Fixed assets acquired under finance leases	0	0
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,220,090,033	438,810,778
Less: Opening balance of cash	400,877,755	452,126,965
Net increase (decrease) in cash and cash equivalents	819,212,278	-13,316,187

XIII. APPROVAL OF THE FINANCIAL STATEMENTS

The Company's financial statements and the consolidated financial statements were approved by the board of directors and authorised for issue on 23 August 2013.

SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

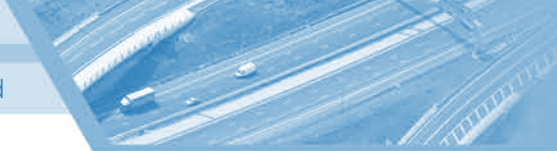
Unit:RMB

Item	Amount
Net profit	1,474,322,211
Add(less): non-recurring items	
— Losses (gains) on disposal of non-current assets	-88,747,199
— Government grants	0
— Gain from disposal of held-for-trading financial investments	0
— Gain from disposal of available-for-sale financial assets	-2,215,725
— Gain from disposal of other assets	0
— Loss (gain) on changes in the fair value	-669,980
— Reversal of impairment loss which were provided in prior years	0
— Other non-operating income profit/loss	4,959,387
Subtotal	-86,673,517
Income tax effect of non-recurring items	21,500,884
Net profit after non-recurring profit or loss	1,409,149,578
Including: attributable to owners of the Company	1,370,123,626
attributable to minority interests	39,025,952

2. Return on net assets and earnings per share ("EPS")

The return on net assets and EPS have been prepared by China GAAP Holdings Limited ("China GAAP 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.

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	7.40%	0.2849	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	7.07%	0.2720	N/A



DOCUMENTS AVAILABLE FOR INSPECTION

The following documents were included:

- (1) Copies of the interim report signed by the Chairman;
- (2) Financial statements signed and sealed by the legal representative, the chief accounting officer and the person-in-charge of an accounting institution;
- (3) Original copies of all company documents and announcements published in the press designated by the China Securities Regulatory Commission during the Reporting Period;
- (4) Articles of Association of the Company;
- (5) Copies of interim reports released in other stock exchanges.

The above documents are available for inspection at the Secretariat Office of the Board of the Company at 6 Xianlin Avenue, Nanjing, the PRC.

Yang Gen Lin
Chairman of the Board
Jiangsu Expressway Company Limited

Nanjing, the PRC, 23 August 2013

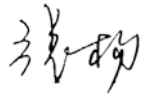
CONFIRMATION OPINION ON 2013 INTERIM REPORT BY DIRECTORS AND SENIOR MANAGEMENT

The Company's directors and senior management hereby confirm in writing that they have reviewed the interim report and are of the opinion that there are no false representations or misleading statements contained in, or material omissions from this report, and that they shall severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of this report.

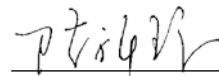
Directors



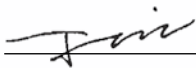
Yang Gen Lin



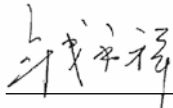
Zhang Yang



Chen Xiang¹Hui



Du Wen Yi



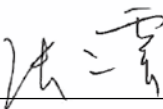
Qian Yong Xiang



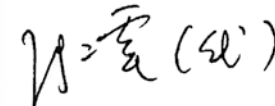
Cheng Chang Yung Tsung, Alice



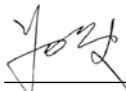
Fang Hung, Kenneth



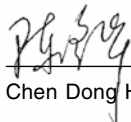
Zhang Er Zhen



Xu Chang Xin

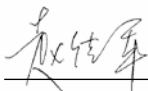


Gao Bo

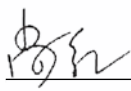


Chen Dong Hua

Senior Management Members



Zhao Jia Jun



Shang Hong




Tian Yafei



Yao Yong Jia



Wu Wei Ping



Li Jie



Yu Lan Ying

Jiangsu Expressway Company Limited
23 August 2013