



Jiangsu Expressway Company Limited
(Hong Kong Stock Exchange Stock Code: 00177)

2017

The First Quarterly Report



1. IMPORTANT NOTICE

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

1.2 Directors absent from the Board meeting

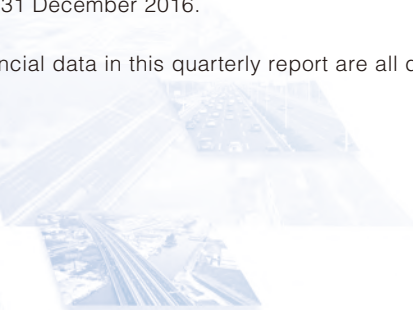
Name	Position	Reason	Name of proxy
Wu Xinhua	Director	Other business engagements	Hu Yu
Zhang Zhuting	Independent Director	Other business engagements	Zhang Erzhen
Lin Hui	Independent Director	Other business engagements	Zhang Erzhen

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

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

1.5 Unless otherwise defined herein, definitions of roads and companies shall have the same meanings as set out in the definition section of the annual report of the Company for the year ended 31 December 2016.

1.6 Unless otherwise stated, financial data in this quarterly report are all denominated in Renminbi (RMB).



2. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: yuan Currency: RMB

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

2. BASIC INFORMATION OF THE COMPANY

Non-recurring profit and loss items and amount

 Applicable

 Not Applicable

Unit: yuan Currency: RMB

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

2. BASIC INFORMATION OF THE COMPANY

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

Unit: Share

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

Shareholdings of top ten shareholders

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

2. BASIC INFORMATION OF THE COMPANY

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

Name of shareholder	Number of circulating shares held not subject to trading restriction	Type and number of shares	
		Type	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holdings Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
BlackRock, Inc.	125,364,874	Oversea-listed foreign shares	125,364,874
Mondrian Investment Partners Limited	97,612,000	Oversea-listed foreign shares	97,612,000
Commonwealth Bank of Australia	86,510,187	Oversea-listed foreign shares	86,510,187
JPMorgan Chase & Co.	82,901,847	Oversea-listed foreign shares	82,901,847
Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund	26,489,420	RMB-denominated ordinary shares	26,489,420
China Securities Finance Corporation Limited	23,130,631	RMB-denominated ordinary shares	23,130,631
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
Hong Kong Monetary Authority – Self-owned Funds	11,180,701	RMB-denominated ordinary shares	11,180,701

Illustration on the related party/ connected relationship or act-in-concert arrangement with respect to the above shareholders

- (1) The Company is not aware of the existence of related party/ connected relationship or act-in-concert arrangement with respect to the above shareholders;
- (2) During the Reporting Period, there were no related/connected parties, strategic investors of the Company nor normal legal persons becoming the top ten shareholders of the Company because of placing of new shares;
- (3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Illustration on the preference shareholders with voting rights restored and their shareholding

Nil

2. BASIC INFORMATION OF THE COMPANY

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

Applicable

Not Applicable

3. SIGNIFICANT EVENTS

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

Applicable

Not Applicable

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

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

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

3. SIGNIFICANT EVENTS

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

Data of average daily traffic volume and average daily toll revenue of road and bridge projects from January to March 2017

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

3. SIGNIFICANT EVENTS

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

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

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

3. SIGNIFICANT EVENTS

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

Unit: yuan Currency: RMB

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

3. SIGNIFICANT EVENTS

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

3. SIGNIFICANT EVENTS

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

Unit: yuan Currency: RMB

Item	From beginning of 2017 to the end of the Reporting Period	Corresponding period of last year	Increase/decrease	Reason of changes
Business taxes and levies	23,247,966	64,891,859	-64.17%	Mainly due to the year-on-year decrease in business taxes and levies as affected by the policy of replacing business tax with VAT during the Reporting Period.
Selling expenses	1,790,400	4,314,045	-58.50%	Mainly due to the year-on-year decrease in advertising expenses and commission as a result of the year-on-year decrease in the presale scale of property projects of Ninghu Properties, a subsidiary of the Company, during the Reporting Period.
Financial expenses	101,442,322	134,995,380	-24.85%	Mainly due to the year-on-year decrease in the interest-bearing debts issued by the Company during the Reporting Period and lower cost for the existing direct financing as compared to that of the corresponding period of last year.
Gain on changes in fair value	1,862,340	-3,290,483	-	Mainly due to the increase in fair value of the held-for-trading financial assets held by Ninghu Investment, a subsidiary of the Company, during the Reporting Period.

3. SIGNIFICANT EVENTS

Item	From beginning of 2017 to the end of the Reporting Period	Corresponding period of last year	Increase/decrease	Reason of changes
Non-operating revenue	604,768	2,167,823	-72.10%	Mainly due to the year-on-year decrease in non-operating revenue as a result of the changes in the recognition of the compensation income for road assets during the Reporting Period.
Non-operating expenses	5,121,730	3,917,154	30.75%	Mainly due to the year-on-year increase in the losses from disposal of non-current assets and road repair expenses during the Reporting Period.
Other comprehensive income	-12,463,550	-16,775,805	-25.71%	Mainly due to changes in fair value of the financial assets available for sale held by Yangtze Bridge Company, an associated company of the Company, during the Reporting Period.

3. SIGNIFICANT EVENTS

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

Unit: yuan Currency: RMB

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

3. SIGNIFICANT EVENTS

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

Applicable

Not Applicable

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

As considered and approved by the fourth meeting of the eighth session of the Board of the Company on 29 December 2015, Guangjing Xicheng Company, a subsidiary of the Company, contributed not more than RMB800 million for investment in the phase-one project of Changzhou-Yixing Expressway. The total investment amount of the project was estimated to be approximately RMB2,918 million. Jiangsu Development and Reform Commission approved the feasibility research report and preliminary design of the project in October 2016 and January 2017, respectively. However, by virtue of the adjustment of land expropriation compensation and relocation policy made by the People's Government of Jiangsu Province, the approved estimated preliminary design budget of the project has been adjusted to approximately RMB3,799.62 million. Thus, as considered and approved by the fourteenth meeting of the eighth session of the Board of the Company on 24 March 2017, the capital contribution made to the project by Guangjing Xicheng Company increased by not more than RMB200 million, with a total capital contribution of not more than RMB1,000 million. As at the end of the Reporting Period, the first instalment of capital contribution of RMB700,320,000 in aggregate was received for the project. The preliminary work of construction work has been commenced. For details, please refer to the announcements of the Company dated 30 December 2015 and 27 March 2017 respectively.

3. SIGNIFICANT EVENTS

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

3.3 Undertakings not being fully performed during the Reporting Period

Applicable

Not Applicable

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

Applicable

Not Applicable

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

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

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

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current Assets:		
Available-for-sale financial assets	2,086,127,987	2,086,127,987
Long-term equity investments	4,775,082,037	4,771,195,958
Investment properties	33,479,559	32,113,394
Fixed assets	1,719,195,438	1,734,084,711
Construction in progress	1,954,555,329	1,197,809,229
Intangible assets	21,092,045,805	21,324,779,176
Long-term deferred expenses	2,913,733	3,628,179
Deferred income tax assets	310,916,997	345,345,094
Other non-current assets	196,477,785	376,477,785
Total Non-current Assets	32,170,794,670	31,871,561,513
TOTAL ASSETS	37,221,438,378	36,282,573,529

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Current Liabilities:		
Short-term borrowings	1,060,000,000	810,000,000
Accounts payable	827,437,741	987,946,428
Receipts in advance	930,957,727	940,873,359
Employee remuneration payable	5,626,469	4,816,324
Taxes payable	190,176,009	231,702,787
Interest payable	148,470,656	92,220,187
Dividends payable	73,614,218	73,614,218
Other payables	44,059,001	39,984,545
Non-current liabilities due within one year	121,709,378	121,718,718
Other current liabilities	3,451,147,665	3,936,452,668
Total Current Liabilities	6,853,198,864	7,239,329,234
Non-current liabilities:		
Long-term borrowings	1,421,054,990	1,471,905,901
Bonds payable	4,460,584,536	4,457,801,187
Deferred income	32,825,499	33,317,704
Deferred income tax liabilities	138,871,899	138,362,514
Total Non-current Liabilities	6,053,336,924	6,101,387,306
TOTAL LIABILITIES	12,906,535,788	13,340,716,540

IV. APPENDIX

<u>Items</u>	<u>Balance at the end of the period</u>	<u>Balance at the beginning of the year</u>
OWNERS' EQUITY:		
Share capital	5,037,747,500	5,037,747,500
Capital reserve	10,428,388,235	10,428,388,235
Other comprehensive income	529,925,502	542,389,052
Surplus reserve	3,153,173,160	3,153,173,160
Retained profits	3,926,731,186	3,048,058,238
Total owners' equity attributable to the parent company	<u>23,075,965,583</u>	<u>22,209,756,185</u>
Minority interests	<u>1,238,937,007</u>	<u>732,100,804</u>
TOTAL OWNERS' EQUITY	<u>24,314,902,590</u>	<u>22,941,856,989</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>37,221,438,378</u>	<u>36,282,573,529</u>

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

Balance Sheet of the Parent Company

31 March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current Assets:		
Cash and bank balances	78,008,363	98,649,203
Accounts receivable	101,940,619	102,488,935
Prepayments	16,010,321	9,116,045
Interests receivable	55,573,930	47,940,597
Dividends receivable	73,370,239	4,989,960
Other receivables	409,910,973	403,316,212
Inventories	21,594,134	22,388,679
Non-current assets due within one year	300,000,000	0
Other current assets	180,000,000	303,141,833
Total Current Assets	1,236,408,579	992,031,464

IV. APPENDIX

Items	Balance at the end of the Reporting Period	Balance at the beginning of the year
Non-current Assets:		
Available-for-sale financial assets	1,567,230,000	1,567,230,000
Long-term equity investments	13,065,622,312	12,850,682,084
Fixed assets	1,044,695,117	1,055,641,400
Construction in progress	50,223,039	49,051,089
Intangible assets	11,431,442,607	11,592,006,027
Other non-current assets	2,342,893,240	2,518,859,835
Total Non-current Assets	29,502,106,315	29,633,470,435
TOTAL ASSETS	30,738,514,894	30,625,501,899

IV. APPENDIX

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

IV. APPENDIX

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

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

Consolidated Income Statement

January–March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Total operating income	2,295,677,347	2,046,758,024
Including: Operating income	2,295,677,347	2,046,758,024
II. Total operating costs	1,213,370,672	1,124,847,637
Including: Operating costs	1,044,912,645	883,138,791
Taxes and surcharges	23,247,966	64,891,859
Selling expenses	1,790,400	4,314,045
Administrative expenses	41,977,339	37,507,562
Financial expenses	101,442,322	134,995,380
Add: Gains from changes in fair value (Loss is indicated by "-")	1,862,340	-3,290,483
Investment income (Loss is indicated by "-")	93,340,853	88,525,252
Including: Income from investments in associates and joint ventures	84,729,908	81,632,591

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
III. Operating profit (Loss is indicated by "-")	1,177,509,868	1,007,145,156
Add: Non-operating income	604,768	2,167,823
Including: Gains from disposal of non-current assets	24,700	1,519
Less: Non-operating expenses	5,121,730	3,917,154
Including: Losses from disposal of non-current assets	372,861	93,714
IV. Total profit (Total loss is indicated by "-")	1,172,992,906	1,005,395,825
Less: Income tax expense	272,151,755	209,741,419
V. Net profit (Net loss is indicated by "-")	900,841,151	795,654,406
Net profit attributable to owners of the parent company	878,672,948	773,690,286
Profit and loss attributable to minority interests	22,168,203	21,964,120
VI. Net amount of other comprehensive income after tax	-12,463,550	-16,775,805
Net amount of other comprehensive income after tax attributable to owners of the parent company	-12,463,550	-16,775,805
(I) Other comprehensive income that will not be reclassified to the profit and losses subsequently	-	-
(II) Other comprehensive income that will be reclassified to the profit and losses subsequently	-12,463,550	-16,775,805
1. Share of other comprehensive income of investees that will subsequently be reclassified to the profit and losses under equity method	-12,463,550	-16,775,805

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
VII. Total comprehensive income	888,377,601	778,878,601
Total comprehensive income attributable to owners of the parent company	866,209,398	756,914,481
Total comprehensive income attributable to minority interests	22,168,203	21,964,120
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.1744	0.1536
(II) Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A

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

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

Income Statement of the Parent Company

January–March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Operating income	1,574,820,248	1,534,544,085
Less: Operating costs	687,474,897	665,946,131
Taxes and surcharges	9,099,438	44,993,873
Administrative expenses	31,099,198	27,893,704
Financial expenses	75,232,187	108,921,150
Add: Gains from changes in fair value (Loss is indicated by “-”)	-	-
Investment income (Loss is indicated by “-”)	74,903,513	76,123,243
Including: Income from investments in associates and joint ventures	49,784,059	44,859,057
II. Operating profit (Loss is indicated by “-”)	846,818,041	762,912,470
Add: Non-operating income	89,460	1,351,872
Including: Gains from disposal of non-current assets	24,700	0
Less: Non-operating expenses	3,665,203	3,831,915
Including: Losses from disposal of non-current assets	0	19,223
III. Total profit (Total loss is indicated by “-”)	843,242,298	760,432,427
Less: Income tax expense	198,364,560	178,893,342

IV. APPENDIX

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

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

Consolidated Cash Flow Statement

January–March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	2,410,482,097	2,732,872,294
Other cash receipts relating to operating activities	81,785,474	22,839,542
Subtotal of cash inflows from operating activities	2,492,267,571	2,755,711,836
Cash payments for goods purchased and service received	628,178,510	836,381,370
Cash payments to and on behalf of employees	205,596,595	193,827,534
Taxes payment	355,145,196	251,681,498
Other cash payments relating to operating activities	30,042,730	31,788,194
Sub-total of cash outflows from operating activities	1,218,963,031	1,313,678,596
Net cash flows from operating activities	1,273,304,540	1,442,033,240

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	751,903,747	657,500,000
Cash receipts from investment income	2,232,003	2,465,438
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	200,830	2,000
Sub-total of cash inflows from investing activities	754,336,580	659,967,438
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	905,331,629	178,245,958
Cash payments for investments	964,000,000	480,000,000
Other cash payments relating to investment activities	120,000,000	0
Sub-total of cash outflows from investing activities	1,989,331,629	658,245,958
Net cash flows from investing activities	-1,234,995,049	1,721,480

IV. APPENDIX

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

Legal representative:
Chang Jing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

Cash Flow Statement of the Parent Company

January–March 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	1,697,094,820	1,783,575,053
Other cash receipts relating to operating activities	1,692,648	5,528,820
Sub-total of cash inflows from operating activities	1,698,787,468	1,789,103,873
Cash payments for goods purchased and service received	500,661,005	720,255,157
Cash payments to and on behalf of employees	136,054,791	127,934,636
Taxes payment	295,143,539	169,390,382
Other cash payments relating to operating activities	13,849,501	12,001,547
Sub-total of cash outflows from operating activities	945,708,836	1,029,581,722
Net cash flows from operating activities	753,078,632	759,522,151

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	251,000,000	674,000,000
Cash receipts from investment income	18,535,288	26,034,962
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	99,000	2,000
Sub-total of cash inflows from investing activities	269,634,288	700,036,962
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	42,504,705	52,384,325
Cash payments for investments	677,000,000	204,000,000
Other cash payments relating to investment activities	120,000,000	0
Sub-total of cash outflows from investing activities	839,504,705	256,384,325
Net cash flows from investing activities	-569,870,417	443,652,637

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from investors	—	—
Cash receipts from borrowings	380,000,000	2,196,640,000
Sub-total of cash inflows from financing activities	380,000,000	2,196,640,000
Cash repayments of borrowings	570,860,251	3,331,817,252
Cash payments for distribution of dividends or profits or settlement of interest expenses	12,857,735	82,524,889
Other cash payments relating to financing activities	131,069	432,420
Sub-total of cash outflows from financing activities	583,849,055	3,414,774,561
Net cash flows from financing activities	-203,849,055	-1,218,134,561
IV. Effects of changes in foreign exchange rate on cash and cash equivalents	—	—
V. Net increase in cash and cash equivalents	-20,640,840	-14,959,773
Add: Opening balance of cash and cash equivalents	98,649,203	121,485,890
VI. Closing balance of cash and cash equivalents	78,008,363	106,526,117

Legal representative:
Chang Jing

Accounting chief :
Gu Dejun

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

IV. APPENDIX

4.2 Auditors' Report

Applicable

Not Applicable

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 29 April 2017

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

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

* *Independent Non-executive Directors*