



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 177)

Entering the Second Venture
with Steady Growth



2007 Interim Report



Important

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 severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of this interim report.
2. Mr. Yang Xiong Sheng, independent non-executive director, was out of town and did not attend the Board meeting. He had appointed Mr. Fan Cong Lai to vote on his behalf.
3. The financial statements in this interim report are unaudited operating results prepared in accordance with PRC Accounting Standards for Business Enterprises (“PRC Accounting Standards”) and Hong Kong Financial Reporting Standards (“HKFRS”) and have been reviewed by the audit committee of the Company.
4. Mr. Shen Chang Quan, Chairman of the Company, Mr. Xie Jia Quan, General Manager, and Ms. Liu Wei, Financial Controller warrant the truthfulness and completeness of the financial statements in this interim report.

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I. 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
Stock Exchanges where the Company's Shares are Listed:	A Share Shanghai Stock Exchange Stock name of A shares: 寧滬高速 Stock code of A shares: 600377 H Share The Stock Exchange of Hong Kong Limited Stock name of H Shares: Jiangsu Expressway Stock code of H Shares: 0177 ADR the United States of America Stock name of ADR: JEXWW Security United Code: 477373104
Registered Office and Place of Business:	238 Maqun Road Nanjing, Jiangsu the PRC
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Website Designated for Information Disclosure:	www.sse.com.cn www.hkex.com.hk www.jsexpressway.com



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Nanjing, Jiangsu
the PRC

II. Major Financial Data and Indicators

(1) Major Accounting Data and Indicators (Prepared in accordance with PRC Accounting Standards)

Unit: RMB'000

Item	As at 30 June 2007	As at 31 December 2006		Increase (decrease) of the end of this reporting period as compared to the end of the pervious year (%)
		After adjustment	Before adjustment	
Total assets	26,075,461	26,435,037	26,425,207	(1.36)
Equity attributable to equity holders of the Company	14,867,238	15,039,698	15,029,868	(1.15)
Net assets per share (RMB)	2.95	2.99	2.98	(1.15)

Item	Six months ended 30 June 2007	Six months ended 30 June 2006		Increase (decrease) of this reporting period as compared to the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Operating profit	1,185,285	828,623	771,421	43.04
Profit before tax	1,183,646	826,878	827,137	43.15
Net profit	784,712	548,706	548,966	43.01
Net profit after non-recurring profit/loss	784,554	549,716	549,976	42.72
Basic earnings per share (RMB)	0.16	0.11	0.11	43.01
Diluted earnings per share (RMB)	0.16	0.11	0.11	43.01
Return on net assets (%)	5.28	3.65	3.80	44.66
Net cash flow from operating activities	1,603,653	1,166,589	1,166,589	37.47
Net cash flow per share from operating activities (RMB)	0.32	0.23	0.23	37.47



(2) Non-recurring profit/loss and the amounts

Unit: RMB'000

Item	Six months ended 30 June 2007
Loss from disposal of fixed assets	(232)
Gains from short-term investment	1,876
Other non-operating income and expenses, net	(1,408)
Effects of income tax	(78)
Total	158

(3) Differences between the PRC Accounting Standards and HKFRS

Unit: RMB'000

Item	Net Profit	Net Assets
Under PRC Accounting Standards	784,712	15,297,593
HKFRS adjustments:		
Valuation and depreciation of fixed assets	20,020	(1,393,255)
Non-amortization of negative goodwill	—	25,032
Under HKFRS	804,732	13,929,370

III. Changes in Share Capital and Shareholders

(1) Changes in Share Capital

During the reporting period, there has been no change to the total number of shares. As the selling restriction period of the first batch of circulating shareholders with selling restrictions has expired and the shares were listed after the completion of the Share Segregation Reform, the Company's share capital structure has been changed:

	Prior to current movement		Current movement (+,-) Shares with selling restrictions circulated	After current movement	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
I. Shares subject to selling restrictions					
1. State-owned shares	2,739,296,706	54.37	—	2,739,296,706	54.37
2. State-owned legal person shares	592,051,690	11.75	289,506	592,341,196	11.76
3. Other domestic shares	286,399,104	5.69	-139,623,859	146,775,245	2.91
Including: Domestic legal person shares	286,399,104	5.69	-139,623,859	146,775,245	2.91
Domestic natural person shares	—	—	—	—	—
4. Foreign shares	—	—	—	—	—
Including: Foreign legal person shares	—	—	—	—	—
Foreign natural person shares	—	—	—	—	—
Total shares subject to selling restrictions	3,617,747,500	71.81	-139,334,353	3,478,413,147	69.04
II. Circulating shares not subject to selling restrictions					
1. RMB-denominated ordinary shares	198,000,000	3.93	+139,334,353	337,334,353	6.70
2. Domestic listed foreign shares	—	—	—	—	—
3. Foreign listed foreign shares	1,222,000,000	24.26	—	1,222,000,000	24.26
4. Others	—	—	—	—	—
Total circulating shares not subject to selling restrictions	1,420,000,000	28.19	+139,334,353	1,559,334,353	30.96
III. Shares in total	5,037,747,500	100	0	5,037,747,500	100

Changes in share transfer and approval status

On 16 May 2007, the selling restriction period of the Company's first batch of circulating shares with selling restrictions totalled 28,699,104 shares expired. Pursuant to the conditions for circulation, such shares become eligible for listing and circulation only after the considerations of such shares pre-paid by the major shareholder of the Company have been repaid. The repayment of consideration can take place in the form of the shares pre-paid for or an equivalent cash amount for such shares calculated at the average of the closing prices of Jiangsu Expressway for the five trading days after the date of implementation of the Share Segregation Reform. During the reporting period, the Company completed the listing and circulation procedures for those shareholders whose shares fulfilled the conditions for circulation. The first batch of such shares totalled 103,260,554 shares and the second batch totalled 36,073,799 shares. Upon the Company's submission of the relevant circulation applications to the State-owned Assets Supervision and Administration Commission of Jiangsu Province, the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository & Clearing Corporation Limited and obtaining the relevant approvals, the two batches were listed and circulated on 16 May 2007 and 14 June 2007 respectively. During the reporting period, shareholders of circulating shares with selling restrictions repaid 289,506 shares to the major shareholders and the relevant share transfer procedures were completed. As at 30 June 2007, the Company had a total of 337,334,353 circulating A shares with no selling restrictions, accounting for 6.7% of the total share capital. Circulating shares with selling restrictions totalled 3,478,413,147 shares, equivalent to 69.04% of the total share capital. Applications for the listing of such shares will be made in batches upon fulfillment of the conditions for circulation.

(2) Shareholders

1. Number of shareholders at the end of the reporting period

As at 30 June 2007, there was a total of 64,142 shareholders in the registers of members of the Company, of whom 63,525 were domestic shareholders and 617 were foreign shareholders.

2. Shareholdings of major shareholders

i. As at 30 June 2007, shareholdings of the top ten shareholders of the Company were as follows:

Name of shareholder	Change during the 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 Communication Holdings Company Ltd.	238,318	2,742,578,825	54.44	2,742,578,825	0	State-owned shareholder
Huajian Transportation Economic Development Centre	51,188	589,059,077	11.69	589,059,077	0	State-owned shareholder
JPMorgan Chase & Co.	-22,735,434	119,780,560	2.38	0	Unknown	Foreign shareholder
Fidelity International Limited	12,414,000	110,655,987	2.20	0	Unknown	Foreign shareholder
Newton Investment Management Ltd.	11,396,000	85,530,000	1.70	0	Unknown	Foreign shareholder
Schroder Investment Management Limited	-14,390,000	84,708,000	1.69	0	Unknown	Foreign shareholder
Halbis Capital Management (Hong Kong) Limited	4,926,000	74,664,000	1.48	0	Unknown	Foreign shareholder
UBS AG	-12,805,170	73,599,910	1.46	0	Unknown	Foreign shareholder
Sumitomo Mitsui Asset Management Limited	0	73,180,000	1.45	0	Unknown	Foreign shareholder
Huaxia Securities Co., Ltd.	0	21,160,000	0.42	21,160,000	Unknown	Others

Note: Connection between the top ten shareholders:

- The Company is not aware whether the top ten shareholders are connected to each other or acting in concert;
- During the reporting period, there were no connected persons, strategic investors or general legal persons becoming one of the top ten shareholders of the Company as a result of the placement of new shares;
- The numbers of shares held by H-share holders were extracted from the register required to be maintained under the Securities and Futures Ordinance of Hong Kong (the "SFO").

- ii. As at 30 June 2007, the shareholdings of the top ten shareholders not subject to selling restrictions were as follows:

Name of shareholder	Number of shares held at the end of the reporting period (shares)	Category of the shares held
JPMorgan Chase & Co.	119,780,560	Overseas listed foreign shares
Fidelity International Limited	110,655,987	Overseas listed foreign shares
Newton Investment Management Ltd	85,530,000	Overseas Listed foreign shares
Schroder Investment Management Limited	84,708,000	Overseas listed foreign shares
Halbis Capital Management (Hong Kong) Limited	74,664,000	Overseas listed foreign shares
UBS AG	73,599,910	Overseas listed foreign shares
Sumitomo Mitsui Asset Management Limited	73,180,000	Overseas listed foreign shares
Jiangsu High Technology Investment Group Co., Ltd. (江蘇高科技投資集團有限公司)	12,306,520	RMB-denominated ordinary shares
Winner Glory Development Ltd	12,000,000	Overseas Listed foreign shares
Jiangsu Power Company (江蘇省電力公司)	6,434,627	RMB-denominated ordinary shares

- iii. As at 30 June 2007, the shareholdings of the top ten A shareholders not subject to selling restrictions were as follows:

Name of shareholder	Number of shares held at the end of the reporting period (shares)	Category of the shares held
Jiangsu High Technology Investment Group Co. Ltd. (江蘇高科技投資集團有限公司)	12,306,520	RMB-denominated ordinary shares
Jiangsu Power Company (江蘇省電力公司)	6,434,627	RMB-denominated ordinary shares
匯添富成長焦點投資基金	5,313,800	RMB-denominated ordinary shares
ABN AMRO (荷蘭銀行)	4,887,615	RMB-denominated ordinary shares
通用電氣資產管理公司	4,242,841	RMB-denominated ordinary shares
Deutsche Bank (德意志銀行)	3,569,520	RMB-denominated ordinary shares
中國經濟技術投資擔保有限公司	3,000,000	RMB-denominated ordinary shares
江蘇省交通廳公路局	2,000,000	RMB-denominated ordinary shares
江蘇省紡織總公司	2,000,000	RMB-denominated ordinary shares
江蘇省電力燃料集團有限公司	2,000,000	RMB-denominated ordinary shares

- iv. As at 30 June 2007, the shareholdings of the top ten shareholders subject to selling restrictions and their selling restrictions were as follows:

No.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Listing and trading of shares subject to selling restrictions		
			Listing and trading date	Number of additional listed and tradable shares	Selling restrictions
1	Jiangsu Communications Holdings Company Ltd.	2,742,578,825	16 May 2011	0	Note 1
2	Huajian Transportation Economic Development Centre	589,059,077	16 May 2011	0	Note 1
3	Huaxia Securities Co., Ltd.	21,160,000	16 May 2007	21,160,000	Note 2
4	Shenyin Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司)	14,450,000	16 May 2007	14,450,000	Note 2
5	Shanghai Haiji Investment Development Co., Ltd. (上海海基投資發展有限公司)	14,150,000	16 May 2007	14,150,000	Note 2
6	Shanghai Ruichen Investment Management Consultant Co., Ltd. (上海瑞晨投資管理諮詢有限公司)	4,400,000	16 May 2007	4,400,000	Note 2
7	China Communication Construction Company Limited (中國交通建設股份有限公司)	3,000,000	16 May 2007	3,000,000	Note 2
8	Rundi Zhi Ye Co., Ltd. (潤地置業股份有限公司)	3,000,000	16 May 2007	3,000,000	Note 2
9	Wujin Investment Company (武進市投資公司)	2,288,800	16 May 2007	2,288,800	Note 2
10	Zhenjiang Communication Investment Construction Development Company (鎮江市交通投資建設發展公司)	2,100,000	16 May 2007	2,100,000	Note 2

Note 1: Undertook not to reduce the holding of the Company's shares before 16 May 2011.

Note 2: 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 shareholder. For repayment, the relevant (advantee) 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 status of such shares shall then be submitted by the Company to the stock exchange.

- v. As at 30 June 2007, 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 of the Company as recorded in the register required to be maintained under the SFO:

Name	Capacity	Direct interests	Number of H shares	Percentage of H shares (total shares) (%)
Jiangsu Communications Holdings Company Ltd.	Others	Yes	2,742,578,825	(54.44)
China Merchants Group Limited (招商局集團有限公司)/ Huajian Transportation Economic Development Centre ⁽¹⁾	Others	Yes	589,059,077	(11.69)
JP Morgan Chase & Co. ⁽²⁾	Interests in controlled corporation	No	119,780,560	9.80 (2.38)
Fidelity International Limited	Investment manager	Yes	110,655,987	9.06 (2.20)
Newton Investment Management Ltd	Investment manager	Yes	85,530,000	7.00 (1.70)
Schroder Investment Management Limited ⁽³⁾	Investment manager	Yes	84,708,000	6.93 (1.68)
Halbis Capital Management (Hong Kong) Limited ⁽⁴⁾	Investment manager	Yes	74,664,000	6.11 (1.48)
UBS AG ⁽⁵⁾	Interests in controlled corporation	Yes	73,599,910	6.02 (1.46)
Sumitomo Mitsui Asset Management Company, Limited/Sumitomo Life Insurance Company ⁽⁶⁾	Interests in controlled corporation	No	73,168,000	5.99 (1.45)

Note:

- (1) China Merchants Group Limited was deemed to hold interests by virtue of its control of Huajian Transportation Economic Development Centre's interest in the shares.
- (2) JP Morgan Chase & Co. was deemed to hold interests by virtue of its controlling interests in the following corporations:
 - (i) 110,934,960 shares (reported as lending pool) held by JP Morgan Chase Bank, N.A. (a 100% directly controlled corporation);
 - (ii) 8,845,600 shares held by two indirectly controlled corporations.
- (3) It is stated in Form 2 submitted by Schroder Investment Management Limited to the Hong Kong Stock Exchange on 28 June 2007 that its parent company is Schroders PLC..
- (4) HSBC Halbis Partners (Hong Kong) Limited was deemed to hold interests in the shares in its capacity as the investment manager. It is stated in Form 2 submitted by HSBC Halbis Partners (Hong Kong) Limited to the Hong Kong Stock Exchange on 10 May 2007 that its parent company is HSBC Holdings plc.
- (5) UBS AG was deemed to hold interests by virtue of its controlling interests in 10 directly controlled corporations.
- (6) Sumitomo Life Insurance Company was the controlling shareholder of Sumitomo Mitsui Asset Management Company, Limited, which was deemed to hold interests in the shares. Sumitomo Mitsui Asset Management Company, Limited was deemed to hold interests in the shares in its capacity as the investment manager.

Save as disclosed above, to the Company's best knowledge, as at 30 June 2007, there was no person who was required to make disclosure under the SFO.



(3) Change of the controlling shareholder and the de facto controller

During the reporting period, the number of the Company's shares held by Jiangsu Communications Holdings Company Ltd. ("Communications Holdings"), the controlling shareholder of the Company, has changed. As at 30 June 2007, Communications Holdings held 2,742,578,825 shares of the Company or 54.44% of the Company's total shares, representing an increase of 238,318 shares as compared to the end of 2006. The reason of change was due to the fact that some of the social legal shareholders have repaid the consideration shares by way of shares. As there are social legal shareholders who have not completed the procedures of repaying the consideration, the number of the Company's shares held by the controlling shareholder will have slight change.

(4) Purchase, Sale and Redemption of Shares of the Company

As at 30 June 2007, there was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries.

(5) Pre-emption Rights

In accordance with the laws of the People's Republic of China 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 existing shareholders in proportion to their shareholdings.

(6) Public Float

As at 30 June 2007 and 17 August 2007 (the latest practicable date of this disclosure statement), the Company complied with the 25% public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules").



IV. Directors, Supervisors and Senior Management

(1) 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 registered share capitals of the Company, its subsidiaries or associated companies that were required to be disclosed pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Companies of the Hong Kong Listing Rules.

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 acquisition of share capital in or debentures of the Company or its subsidiaries or associated companies.

(2) New Appointment or Removal of Directors, Supervisors and Senior Management

During the reporting period, there was no change to the member of the Company's Board and supervisory committee. The seventh meeting of the fifth session of the Board held by the Company approved the appointments of Ms. Liu Wei and Mr. Zhao Jia Jun as the Company's Deputy General Managers for a term of three years.

V. Report of the Directors

(1) Discussion and analysis on the overall operations during the reporting period

1. Review of operations

During the first half of 2007, the Company's major operations maintained the growth momentum of 2006. The operation and management mode of eight-lane expressway has basically stabilized after over a year of checks and improvement through practice. The service quality and operation order of the road, as well as the response speed and handling capability for accidents, have all improved substantially. Effective controls on various costs and expenses, such as operating costs, management costs and maintenance costs, were achieved. Accordingly, the Company's operating results and profitability were further enhanced.

In the first half of the year, the Company continued to strengthen the on-site management of its road operations, providing to road users a travelling environment with safety, smooth traffic and good service quality. On 1 March 2007, Jiangsu Province implemented the new Regulations for Expressways, which demands higher management standards and service requirements in terms of expressway operations. The Company has, accordingly, expanded its staffing, equipment and facilities at toll stations in a timely manner. 438 new staff members were added to the toll stations and systematic pre-job training was given, in order to ensure the full opening of all toll passages as stipulated by the new regulations as well as orderly and smooth traffic at the toll stations during peak periods.

Internal management was improved systematically. During the first half of the year, the Company underwent the improvement and upgrade of the management-by-objectives system and the integrated OA management system, achieving improvements in all management procedures. In order to further enhance the systematization, execution flow and efficiency of the corporate internal control system, the Company has pursued an integration of the various existing management and control systems, and began to establish an independent and complete internal control mechanism in accordance with relevant requirements of the regulatory authorities, so as to form a standardized, easy-to-operate corporate management and control system.

2. Results summary

During the reporting period, the Group realized operating revenues of approximately RMB2,513,330,000, up approximately 37.37% over the same period last year. Under PRC Accounting Standards, the Group's profit after taxation for the reporting period was approximately RMB784,712,000 and earnings per share was approximately RMB0.16, up approximately 43.01% year-on-year. Under HKFRS, profit after taxation was approximately RMB804,732,000 and earnings per share was approximately RMB0.16, up approximately 41.14% year-on-year. The operating conditions of different operations are listed below:

Unit: RMB '000

Item	Operating Year-on-year		Operating Year-on-year		Year-on-year change	
	revenue	change (%)	costs	change (%)	Margin (%)	(percentage point)
Jiangsu Section of Shanghai-Nanjing Expressway	1,615,400	41.90	337,130	35.76	79.13	0.94
Shanghai-Nanjing Section of G312	86,489	(20.30)	118,123	13.00	(36.58)	(40.25)
Nanjing Section of Nanjing-Lianyungang Highway	32,170	(36.33)	7,365	(61.62)	77.10	15.08
Guangjing Xicheng Expressways	302,182	9.58	83,156	(9.34)	72.48	5.74
Ancillary services	450,912	86.59	428,372	75.37	5.00	6.08
Other operations	26,177	77.96	19,672	105.18	24.85	(9.97)
Total	2,513,330	37.37	993,818	38.49	60.46	(0.32)

Explanation of year-on-year changes in operating revenues:

- Shanghai-Nanjing Expressway saw a significant growth in toll revenue mainly benefiting from increased traffic volume and a higher proportion of trucks during the first half of the year. During January through June, the average daily traffic volume of Shanghai-Nanjing Expressway increased by approximately 26.94% year-on-year, while the proportion of trucks increased to 31.06% from 25.55% during the same period of last year.
- The toll revenue of the Nanjing Section of Nanjing-Lianyungang Highway decreased by approximately 36.33% compared to the same period last year, due to the approximately 47.06% year-on-year decline in the section's traffic volume during the first half of the year caused by the opening of the parallel Nanjing-Lianyungang Expressway.
- The increase in revenue from ancillary services mainly came from an increase in sales of petroleum products. During the first half of 2007, aggregate sales of petroleum products from all service areas generated a total revenue of RMB387,428,000, representing an increase of approximately 97.47% over the same period last year and accounting for 91.40% of the increase in ancillary services revenue.
- The increase in revenue from other operations mainly came from billboard advertisements. From January to June 2007, outdoor billboard advertisements realized a total revenue of RMB15,427,000.

Explanation of year-on-year changes in operating costs:

- The increase in operating costs of Shanghai-Nanjing Expressway was primarily due to an increase in depreciation charges for assets. From January to June 2007, the depreciation charges for fixed assets for Shanghai-Nanjing Expressway increased by approximately RMB61,003,000 compared to the same period of last year and accounted for 68.69% of the total increase in the expressway's total operating costs.
- The operating costs of the Nanjing Section of Nanjing-Lianyungang Highway recorded a year-on-year drop of approximately 61.62% due to the existence of a RMB7,020,000 impairment charge for large-scale maintenance work for the same period last year. Impairment for the project was completed last year.
- As for ancillary services, the increase in operating costs was due to the same reasons as the increase in revenue.

(2) Principal operations of the Company and their operating performance

1. Toll road and bridge operations

In the first half of 2007, the Group's toll road and bridge operations reported a significant surge as a result of the dramatic growth of the core asset Shanghai-Nanjing Expressway. A toll revenue of approximately RMB2,036,241,000 was realized, up approximately 29.43% from the same period of 2006 and accounting for 81.02% of the total operating revenue.

Comparisons of average daily traffic volumes and toll revenues:

Road/Bridge	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB '000/day)		
	Reporting period	Corresponding period last year	Change (%)	Reporting period	Corresponding period last year	Change (%)
Shanghai-Nanjing Expressway	47,241	37,215	26.94	8,924.9	6,289.6	41.90
Shanghai-Nanjing Section of G312	29,225	33,591	(13.00)	477.8	599.5	(20.30)
Nanjing Section of Nanjing-Lianyungang Highway	7,543	14,249	(47.06)	177.7	279.1	(36.33)
Guangjing Expressway	36,993	35,648	3.77	637.2	633.0	0.66
Xicheng Expressway	36,324	30,662	18.47	1,032.3	890.5	15.92
Jiangyin Yangtze Bridge	40,758	37,229	9.48	2,158.3	2,130.4	1.31
Sujiahang Expressway	20,221	17,791	13.66	1,564.6	1,427.7	9.59

Shanghai-Nanjing Expressway continued the growth trend of 2006, and the proportion of trucks has further increased. During the reporting period, the expressway realized approximately RMB1,615,400,000 in total toll revenue, representing approximately 79.33% of the Group's toll revenue and approximately 64.27% of the Group's total revenue. Average daily traffic volume and average daily toll revenue were 47,241 vehicles and RMB8,924,900 respectively, representing respective year-on-year increases of approximately 26.94% and 41.90%. As for the composition of traffic volume, the average daily traffic volume of passenger vehicles was 32,568 vehicles in the first half of the year, representing approximately 68.94% of the total average daily traffic volume. The average daily traffic volume of trucks was 14,673 vehicles, accounting for approximately 31.06% of the total average daily traffic volume and representing an increase of approximately 5.51 percentage points year-on-year. The proportion of trucks in the average daily toll revenue was approximately 50.73%, representing an increase of 9.42 percentage points compared to the same period of last year. In the first half of 2007, the average daily toll revenue per vehicle amounted to RMB189, with the average daily toll revenues per passenger vehicle and per truck being RMB135 and RMB308 respectively.

G312's toll revenue continued to decline, but the downward trend has basically bottomed out. Meanwhile, Nanjing-Lianyungang Expressway, which opened to traffic in December 2006, has shown its diversion effect on the Nanjing Section of Nanjing-Lianyungang Highway. The primary effect is a diversion of passenger vehicle traffic from Nanjing-Lianyungang Highway, which reduced the section's average daily traffic volume and average daily toll revenue by about 47.06% and 36.33% year-on-year, respectively.

Xicheng Expressway was still enjoying certain recovery effects and as a result reported a more significant growth. In the first half of 2007, the increases in passenger vehicle traffic on Guanjing Expressway, Xicheng Expressway and Sujiahang Expressway all exceeded the increases in truck traffic. Accordingly, the proportions of trucks on these expressways saw slight drops to varying degrees and their revenue growth fell behind traffic volume growth as a result. However, the operations of all these assets remained normal.

2. Ancillary services

The rapid growth of Shanghai-Nanjing Expressway's traffic volume triggered substantial improvement for the business operations of the various service areas along the expressway. During the first half of 2007, service areas realized an operating revenue of RMB450,912,000, up 86.59% year-on-year. Among this revenue, sales of petroleum products realized a revenue of RMB387,428,000 while other operations such as catering and retailing recorded a revenue of RMB63,484,000, representing year-on-year increases of approximately 97.47% and 39.63%, respectively.

(3) Operations and results of subsidiaries

Name of company	Principal operations	Attributable equity interests	Asset size (RMB '000)	Profit/Loss generated (RMB '000)	Proportion of total net profit (%)
Jiangsu Sundian Engineering Co., Ltd	Special repair and maintenance of roads and bridges (including expressways), works on road surfaces and traffic safety facilities, and so forth	95.5%	64,766	(2,699)	(0.34)
Jiangsu Ninghu Investment Development Co., Ltd.	Investments in various infrastructures, industrial concerns and industries	95%	137,350	5,311	0.68
Jiangsu Guangjing Xicheng Expressway Co., Ltd	Construction, management, maintenance and repair and toll collection of Jiangsu Guangjing-Xicheng Expressways	85%	2,879,179	139,903	17.83

(4) Operation and results of companies in which the Company had equity interests

Name of company	Scope of business	Attributable equity interests	Asset size (RMB '000)	Revenue from investment (RMB '000)	Proportion of total net profit (%)
Suzhou Sujiahang Expressway Co., Ltd	Management and operation of the Jiangsu Section of Sujiahang Expressway	33.33%	4,846,445	12,287	1.57
Jiangsu Kuailu Bus Transportation Stock Co., Ltd.	Road transportation, automobile repair and sales of automobiles and spare parts	33.2%	292,688	4,148	0.53
Jiangsu Yangtze Bridge Co., Ltd	Mainly engaged in the management and operation of Jiangyin Yangtze Bridge	26.66%	3,467,740	52,559	6.70

(5) Analysis of operating results and financial position

1. Analysis of operating results

— Under the PRC Accounting Standards

Item	Jan-Jun 2007 RMB '000	Jan-Jun 2006 RMB '000	Change (%)
Revenue	2,513,330	1,829,589	37.37
Investment income	74,033	57,201	29.43
Operating profit	1,185,285	828,623	43.04
Finance expenses	250,093	202,709	23.38
Profit before tax	1,183,646	826,878	43.15
Income tax expense	377,683	260,145	45.18
Minority interests	21,251	18,026	17.89
Profit attributable to equity holders of the Company	784,712	548,706	43.01
Earnings per share (RMB)	0.16	0.11	43.01

— Under the HKFRS

Item	Jan-Jun 2007 RMB '000	Jan-Jun 2006 RMB '000	Change (%)
Revenue	2,414,857	1,758,535	37.32
Share of profits of associates	71,957	63,108	14.02
Finance costs	253,590	206,775	22.64
Income tax expense	377,683	260,145	45.18
Profit attributable to minority interests	21,250	18,026	17.89
Profit attributable to equity holders of the Company	804,732	570,167	41.14
Earning per share (RMB)	0.16	0.11	41.14

- The growth in revenue was mainly due to the increase in toll revenue of Shanghai-Nanjing Expressway. The increase in revenue triggered significant improvement in other operating results indicators.
- The increase in investment gains was mainly attributable to the contributions by the associates, Yangtze Bridge Company and Sujiahang Company.
- The increase in financial costs was mainly caused by two factors: the first was the increase in commercial bank lending rates; and the second was the existence of RMB4 billion of short-term commercial papers among the interest-bearing liabilities last year, whereas all such liabilities in the first half of 2007, except a RMB1.5 billion trust loan, were commercial bank loans.

2. Analysis of financial position

— The Group's capital structure

As at the end of the reporting period, the Company's overall liability level was basically on par with the end-2006 level. The term structure of liabilities also remained basically the same as compared to end-2006.

Under the PRC Accounting Standards, the capital structure of the Group as at 30 June 2007 and the comparative figures as at 31 December 2006 are as follows:

Item	As at 30 June 2007		As at 31 December 2006	
	RMB '000	%	RMB '000	%
Current liabilities	6,742,076	25.85	6,530,753	24.70
Long-term liabilities	4,035,792	15.48	4,436,759	16.79
Liabilities at fixed interest rates	8,748,694	33.55	8,948,694	33.85
Liabilities at floating interest rates	—	—	—	—
Interest-free liabilities	2,029,174	7.78	2,018,818	7.64
Equity attributable to equity holders of the Company	14,867,238	57.02	15,039,698	56.89
Minority interests	430,355	1.65	427,827	1.62
Total assets	26,075,461	100.00	26,435,037	100.00
Gearing ratio:	41.33%		41.49%	

Under the HKFRS, the capital structure of the Group as at 30 June 2007 and the comparative figures as at 31 December 2006 are as follows:

Item	As at 30 June 2007		As at 31 December 2006	
	RMB '000	%	RMB '000	%
Current liabilities	6,742,076	27.29	6,530,754	26.08
Long-term liabilities	4,035,792	16.33	4,436,759	17.71
Liabilities at fixed interest rates	8,748,694	35.41	8,948,694	35.73
Liabilities at floating interest rates	—	—	—	—
Interest-free liabilities	2,029,174	8.21	2,018,818	8.06
Equity attributable to equity holders of the Company	13,499,015	54.64	13,651,455	54.50
Minority interests	430,355	1.74	427,828	1.71
Total assets	24,707,238	100.00	25,046,796	100.00
Gearing ratio:	35.41		35.73	

Gearing ratio: Liabilities at fixed interest rates/total assets

— **Capital expenditures**

From January to June 2007, the Group's planned expenditures amounted to approximately RMB656,161,000. The main composition of capital expenditures is as follows:

Capital expenditure	RMB '000
Balance payment of the expansion works of Shanghai-Nanjing Expressway	563,567
Others	92,594
Total	656,161

— **Asset liquidity and financial source**

The Group is principally engaged in the operation of toll roads and bridges. Such an operation provides a sustained and steady source of operating cash flow, thereby giving the Company a strong payment capacity. In the first half of 2007, the cash inflow from the Group's operating activities amounted to RMB2,586,685,000 and the net cash inflow from operating activities amounted to RMB1,603,653,000. While the Company's overall scale of liabilities has increased rather significantly, the overall gearing remains at a reasonable level. The management believes that the Group does not have any liquidity problem.

— **Financing activities and financial costs**

With steady cash flows, sound credit track records and a good reputation in the sector, the Company is entitled to the prime rates for commercial bank loans under the interest rate policy of the People's Bank of China. At the same time, the Company has been trying to raise low-cost funding through methods such as specific asset management schemes and trust schemes, but such schemes are still pending approval or in the offering stage due to policy constraints or the impact of the market environment. As at 30 June 2007, the Group's total loans amounted to RMB8,748,694,000, among which RMB4,510,000,000 were short-term loans, RMB4,035,792,000 were medium/long-term loans and RMB202,902,000 were long-term loans due within one year. During the reporting period, accrued financing costs amounted to approximately RMB250,093,000.

— **Taxation policy**

Enterprise income tax was paid in full by the Company at the statutory tax rate of 33%. From January to June 2007, accrued income tax expenses amounted to approximately RMB377,683,000. Business tax for toll revenue from expressways was charged at the rate of 3%.

— **Foreign exchange risks**

The Group operates its businesses principally in China. No major foreign exchange risks are involved as the Company's revenues from operations and capital expenditures are all settled in Renminbi, except dividend payments for H shares. A loan of US\$9,800,000 was secured from the Spanish Government in 1998 and will be due on 18 July 2027. As at 30 June 2007, the balance of the loan was approximately RMB38,694,000 after conversion from US dollars. Although no foreign exchange hedging was made for such loan, fluctuations in exchange rates will not have any material impact on the Company's results.

— **Contingent liabilities**

As at 30 June 2007, the Company did not have any contingent liabilities.

— **Trust deposits**

As at 30 June 2007, the Company did not have any trust deposits with any financial institutions in China or any fixed term deposits which were irrecoverable upon their maturity.



— **Trust loans**

In 2006, the Company secured a loan of RMB300,000,000 from its subsidiary Jiangsu Guangjing Xicheng Expressway Co., Ltd. by way of a trust loan. Of this amount, RMB200,000,000 had a term from 15 July 2006 to 14 January 2007 at a monthly interest rate of 3.915‰, while the other RMB100,000,000 had a term from 27 December 2006 to 26 June 2007 at a monthly interest rate of 4.185‰. The principal and interests of the loan were settled at the maturity dates.

The Company had also secured two separate loans of RMB200,000,000 and RMB250,000,000 from Jiangsu Guangjing Xicheng Expressway Co., Ltd. on 15 January 2007 and 27 June 2007 respectively. Both loans have a term of one year and carry an annual interest rate of 5.022%.

VI. Significant Matters

(1) Corporate Governance

During the reporting period, the Company continued to improve the operations and management of the Company and strove to enhance the quality of corporate governance, with reference to the CSRC's documented regulations on corporate governance and the requirements of the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

1. Amendment and enhancement of the corporate governance system

Pursuant to the State's newly amended Company Law and Securities Law and the revised requirements of the Shanghai Stock Exchange's listing rules, the Company conducted a large-scale amendment on the Articles of Association during the first half of the year involving 21 chapters and 105 articles. The relevant approval and reporting procedures were completed in accordance with the statutory requirements.

Pursuant to the requirements under the CSRC's Administrative Measures on Information Disclosure of Listed Companies and the Shanghai Stock Exchange's Guidelines for Administrative System on Information Disclosure of Listed Companies, the Company compiled the Administrative Measures on Information Disclosure in the first half of 2007. The Administrative Measures systematically organized and summarized the information disclosure procedures and methods of the Company and created a clear set of operating regulations and disclosure procedures for the Company's future information disclosure work. The Administrative Measures were published online before 30 June 2007 upon a review by the Board and have been effectively implemented.

2. Self-inspection on specific corporate governance matters

Pursuant to the requirements of the CSRC's Notice on the Enhancement of Specific Corporate Governance Matters of Listed Companies, the Company has, during the reporting period, conducted self-inspection and produced an objective and comprehensive evaluation on its current state of governance in strict compliance with the relevant laws, regulations and internal rules and systems of the Company. Through self-inspection, the Company concludes that it has always been complying with good corporate governance principles. A sound governance structure has been developed and regulated operations have been maintained, with all established governance systems strictly observed as guidelines for daily activities. The Company's operations and management acts are regularly reviewed, with a view to enhancing the compliance, independence and transparency of the Company's operations. An effective internal control mechanism is gradually developed and improved to ensure regulated operations, stable development and further enhancement of shareholders' value of the Company. Meanwhile, through self-inspection, the Company has also discovered aspects for further improvement regarding corporate governance. The Company has made a preliminary self-inspection report and a reform proposal, and upon the Board's review and approval, further disclosures and improvements will be made.

3. Execution and Enhancement of Internal Controls

The Company's present internal control systems and measures cover all aspects of operation and management, and are sufficiently executed in actual operations. Such systems and measures have facilitated sound supervision, guidance and control over the operations and business operation flow of the Company. During the reporting period, The Company has also conducted inspection, supervision and assessment on the financial position, operations and internal regulated activities of various businesses and their work flows in order to mitigate operating risks. No major deficiency or omission was found.

To achieve further improvement in the systematization, execution flow and efficiency of the internal control mechanism, the Company began the integration work of its internal control mechanisms since the beginning of this year to form an independent and complete internal control mechanism, in accordance with the Ministry of Finance's Principles on Internal Control of Enterprises – Basic Principles, the Shanghai Stock Exchange's Guidelines on Internal Control of Listed Companies and the Hong Kong Stock Exchange's Code on Corporate Governance Practice. It is expected that all relevant work would be completed before the end of this year.



4. The Audit Committee

The Audit Committee of the Company comprises three members, all of whom are Non-executive Directors, including one who is an Independent Non-executive Director having the appropriate professional qualifications or appropriate accounting expertise or relevant expertise in financial management as required under Rule 3.10(2) of the Hong Kong Listing Rules. Independent Non-executive Directors represent a majority among the members of the Audit Committee, and the chairman is an Independent Non-executive Director.

The Audit Committee has reviewed the accounting principles, accounting standards and methods of review adopted by the Company. It has also reviewed the unaudited financial statements for the first quarter and the first half of 2007. The Audit Committee considered that the financial statements for the first quarter and the first half of 2007 complied with the applicable accounting standards and legal requirements, and that the Company has made appropriate disclosure thereof.

5. The Code on Corporate Governance Practice

For the period between 1 January 2007 and the date of publication of this report, the Board has reviewed its day-to-day governance practices in accordance with the provisions set out in the Code on Corporate Governance Practice under Appendix 14 of the Hong Kong Listing Rules. The Board is of the view that the Company has complied with the relevant rules and regulations to regulate its operations and has adhered to strict corporate governance. It has strived to fulfill the recommended best practices and there was no act in breach of, or not in compliance with, the provisions of the Code.

6. The Model Code for Securities Transactions by Directors

Upon specific enquiries made to all the Directors and Supervisors of the Company, the Directors and Supervisors of the Company have complied with the provisions on securities transactions under the Model Code for Securities Transactions by Directors of Listed Companies under Appendix 10 of the Hong Kong Listing Rules (the "Model Code"). The relevant personnel of the Company have also complied with the Model Code for Securities Transactions by Directors, Supervisors, Senior Management Members and Relevant Employees.

(2) Profit Distribution Scheme and its Implementation

The following profit distribution scheme for 2006 was approved at the 7th meeting of the fifth session of the Board held by the Company: a cash dividend of RMB0.19 per share shall be distributed to all shareholders on the basis of a total of 5,037,747,500 shares in issue at the end of 2006. After-tax cash dividend per share amounted to RMB0.171. Such scheme was reviewed and approved at the 2006 annual general meeting. The Board of the Company, with authorization given by the shareholders' general meeting, decided that the record date for determining the entitlements of domestic shareholders was 29 June 2007, and the ex-dividend date was 2 July 2007.

Dividends for H-Share holders are denominated in RMB and payable in HK dollar, and a cash dividend of HK\$0.194 was paid for every share held. The latest time for registering transfer of H Shares for dividends was 13 May 2007. The dividends were declared on 14 June 2007.

The dividends for 2006 were paid on 6 July 2007 and the profit distribution scheme for the previous year has been implemented.

During the reporting period, the Board of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2007.

(3) Material Litigation or Arbitration during the Reporting Period

During the reporting period, the Company was not involved in any material litigation or arbitration.

(4) Asset Transfer

During the reporting period, the Company was not involved in any asset transfer.

(5) Material Connected Transactions during the Reporting Period

During the reporting period, the connected transactions of the Company are mainly continuing connected transactions related to day-to-day operation, namely:

1. Road Maintenance Service Contracts with Jiangsu Sundian

On 26 April 2007, Guangjing Xicheng, the Company's subsidiary, entered into a maintenance service contract with Jiangsu Sundian in respect of the repair and maintenance services of Guangjing Expressway and Xicheng Expressway, for a term commencing on 1 May 2007 and ending on 31 December 2007. The maximum contractual maintenance service fees were estimated to be no more than RMB20 million.

The maintenance service fees are determined by the following principles: the tender prices so accepted will serve as the fee basis for projects to be awarded through public tenders whereas the fee basis for other projects will be determined after arm's length negotiation and with reference to the prevailing market prices reviewed by an independent and qualified cost consultation institute, with principle of not higher than the market price of the relevant works. The upper limits of the maintenance service fees are set according to the estimated works in 2007. The maintenance service fees are to be paid out of Guangjing Xicheng's own funds.

Such transaction constituted a continuing connected transaction under the Hong Kong Listing Rules. However, under the Shanghai Listing Rules, such transaction was exempted from the disclosure requirements for connected transactions.

2. Technological Service Agreement with the Toll-network Company

On 26 April 2007, the Company entered into a technological service agreement with Jiangsu Expressway Toll-network Technology Service Co., Ltd. (the "Toll-network Company", 江蘇高速公路聯網收費技術服務有限公司). The Toll-network Company would provide relevant data audit, statistical and analytical services and consultation services on inter-network tolling technology upgrade for the road and bridge projects of the Company. The service fees for 2007 would be no more than RMB6,000,000 in aggregate.

The Toll-network Company was jointly established by Communications Holdings and its road and bridge subsidiaries. Communications Holdings is the largest shareholder holding 30% equity interests. The Company made a total capital contribution of RMB1,750,000 and holds 5% equity interests. In accordance with the respective listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Toll-network Company is a connected company of the Company. Such transaction constituted a connected transaction relating to the daily operations of the Company.



3. Capital Dealings with Connected Parties

In 2006, the Company secured a loan of RMB300,000,000 from its subsidiary Jiangsu Guangjing Xicheng Expressway Co., Ltd. by way of a trust loan. Of this amount, RMB200,000,000 had a term from 15 July 2006 to 14 January 2007 at a monthly interest rate of 3.915%, while the other RMB100,000,000 had a term from 27 December 2006 to 26 June 2007 at a monthly interest rate of 4.185%. The principal and interests of the loan were settled at the maturity dates.

The Company also secured two separate loans of RMB200,000,000 and RMB250,000,000 from Jiangsu Guangjing Xicheng Expressway Co., Ltd. on 15 January 2007 and 27 June 2007 respectively. Both loans have a term of one year and carry an annual interest rate of 5.022%.

The independent non-executive directors of the Company have reviewed the continuing connected transactions and confirmed in the interim report and accounts that:

- (1) Such transactions constituted the usual course of business of the listed issuer;**
- (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 in any way no worse 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 of respective transaction. The transaction terms were fair and reasonable and in the best interests of the Company's shareholders as a whole.**

(6) Significant Contracts

1. Material trusts, subcontracting or leasing arrangement

During the reporting period, the Company had no material trusts, subcontracting or leasing arrangement.

2. Material guarantees and pledge of assets

During the reporting period, the Company did not provide any guarantee to any shareholders or connected parties or any other companies, nor was there any pledge of assets subsisting.

3. Entrusted financial management

During the reporting period, the Company did not entrust any other person to carry out cash asset management activity.

4. Other material contracts

On 26 April 2007, the Company entered into a maintenance service contract with Jiangsu Sundian for a term commencing on 1 May 2007 and ending on 31 December 2007. Total contract sum was estimated to be no more than RMB10 million.

(7) Performance of Undertakings

1. The Board of the Company has fulfilled an undertaking in respect of the profit distribution proposal for 2006 that one cash dividend distribution will be made for 2006 at a ratio of no less than 85% of the distributable profit of the year.
2. Special undertakings made by the original Non-circulating Shareholders during the process of the Share Segregation Reform and the performance thereof:

Name of shareholder	Special undertakings	Fulfillment of undertakings
Communications Holdings Huajian Transportation	<ol style="list-style-type: none"> 1. Within 60 months from the day on which the listing status is granted, the original non-circulating shares of the Company held by the two companies will not be traded on the Shanghai Stock Exchange. 2. The two companies will propose a motion and vote for a proposal at each of the 2005-2008 annual general meetings of the Company regarding a cash dividend payment of not less than 85% of the distributable profit of the Company realized in the relevant year. 	The Company is not aware that such shareholders were in breach of the relevant undertakings during the reporting period.
Communications Holdings Huajian Transportation Jiangsu Communications Construction Group Co., Ltd. Jiangsu Communications Engineering Co., Ltd	These companies undertake that they shall bear all relevant expenses arising from the Share Segregation Reform as per their agreement.	Fulfilled

(8) Appointment of Auditors

At the 2006 annual general meeting of the Company, it was approved that Deloitte Touche Tohmatsu CPA Ltd. and Deloitte Touche Tohmatsu would continue to be appointed as the domestic and international auditors, respectively of the Company for 2007. Auditing fees for the year amount to RMB1.7 million. The Company did not pay any other fees and nor were there any charges that might have affected the auditors' independence.

The above-mentioned auditing firms have been providing audit services to the Company for four consecutive years since 2003.

(9) Regulatory Sanctions

During the reporting period, there was no investigation, administrative punishment, reprimand or other public condemnation imposed against the Company or any of its directors, supervisors, senior management members, shareholders, de facto controllers by CSRC.



(10) Other Information Sources

Announcements of the Company were published in China Securities Journal, Shanghai Securities News, Hong Kong Economic Times and the South China Morning Post. For details of the announcements, please refer to the publications on the said date or visit websites of the Shanghai Stock Exchange (www.sse.com.cn), the Hong Kong Stock Exchange (www.hkex.com.hk) or the Company (www.jsexpressway.com).

No.	Publication Date	Item
1.	9 January 2007	Announcement on the fifth meeting of the fifth session of the board of directors regarding the borrowing from the Company's controlling shareholder through a trust loan
2.	26 March 2007	2006 annual results announcement and explanation on fund appropriation by the Company's controlling shareholder and other connected parties
3.	26 March 2007	Announcements on the seventh meeting of the fifth session of the board of directors and the fourth meeting of the fifth session of the supervisory committee
4.	13 April 2007	Announcement on expected increase in profit for the first quarter of the year
5.	27 April 2007	Announcements on the first quarterly results of 2007 and the eighth meeting of the fifth session of the board of directors
6.	27 April 2007	Announcement on entering into the road maintenance service contract for 2007 with Jiangsu Sundian Engineering Co., Ltd
7.	27 April 2007	Announcement on connected transaction-entering into the technological service agreement with Jiangsu Expressway Toll-network Technology Service Co., Ltd.
8.	27 April 2007	Notice of 2006 annual general meeting and amendments to the articles of association
9.	11 May 2007	Announcement on the listing of the first batch of circulating shares with selling restrictions
10.	8 June 2007	Announcement on the listing of the second batch of circulating shares with selling restrictions
11.	14 June 2007	Announcement on resolutions passed at the 2006 annual general meeting and legal opinion
12.	14 June 2007	Announcement on the ninth meeting of the fifth session of the board of directors regarding the issue of an entrust loan amounting to RMB1,500,000,000
13.	14 June 2007	Online publication of the administrative system for information disclosure of the Company
14.	25 June 2007	Announcement on the implementation of the Company's 2006 profit distribution scheme



VII. REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF JIANGSU EXPRESSWAY COMPANY LIMITED
江蘇寧滬高速公路股份有限公司
(a joint stock limited company established in the People's Republic of China)

Introduction

We have reviewed the interim financial information set out on pages 27 to 38 which comprises the condensed consolidated balance sheet of Jiangsu Expressway Company Limited as of 30 June 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

17 August 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	NOTES	Six months ended	
		30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Revenue	3	2,414,857	1,758,535
Cost of sales		(986,766)	(725,070)
Gross profit		1,428,091	1,033,465
Other income	5	17,910	17,829
Administrative expenses		(61,298)	(58,575)
Finance costs	6	(253,590)	(206,775)
Share of profits of associates		71,957	63,108
Loss on disposal of an associate		—	(714)
Changes in fair value of held-for-trading investments		595	—
Profit before tax		1,203,665	848,338
Income tax expense	7	(377,683)	(260,145)
Profit for the period	8	825,982	588,193
Attributable to:			
Equity holders of the Company		804,732	570,167
Minority interests		21,250	18,026
		825,982	588,193
Dividends	9	957,172	730,473
Earnings per share attributable to equity holders of the Company			
– Basic (RMB per share)	10	0.16	0.11

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2007

	NOTES	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	1,767,017	1,855,686
Toll roads infrastructures		19,072,376	19,367,653
Prepaid lease payments		1,193,182	1,208,377
Interests in associates		1,546,334	1,587,391
Available-for-sale investments		5,500	5,500
Deferred tax assets		6,487	8,014
		<u>23,590,896</u>	<u>24,032,621</u>
Current assets			
Inventories		14,302	10,045
Properties under development		17,354	11,650
Prepayments and other receivables	12	86,306	93,339
Dividend receivable		66,214	—
Prepaid lease payments		65,280	64,483
Held-for-trading investments		27,015	37,784
Bank balances and cash		839,871	796,874
		<u>1,116,342</u>	<u>1,014,175</u>
Current liabilities			
Other payables	13	229,003	170,938
Construction costs payable		1,115,936	1,731,863
Tax liabilities		242,095	104,960
Dividend payable		442,140	11,058
Long-term borrowings – due within one year	14	202,902	1,935
Short-term borrowings	15	4,510,000	4,510,000
		<u>6,742,076</u>	<u>6,530,754</u>
Net current liabilities		<u>(5,625,734)</u>	<u>(5,516,579)</u>
Total assets less current liabilities		<u>17,965,162</u>	<u>18,516,042</u>
Non-current liabilities			
Long-term borrowings – due after one year	14	4,035,792	4,436,759
Net assets		<u>13,929,370</u>	<u>14,079,283</u>
Capital and reserves			
Share capital	16	5,037,748	5,037,748
Share premium and reserves		8,461,267	8,613,707
Equity attributable to equity holders of the Company		13,499,015	13,651,455
Minority interests		430,355	427,828
Total equity		<u>13,929,370</u>	<u>14,079,283</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Attributable to equity holders of the Company							Total
	Share capital	Share premium	Statutory surplus reserve	Statutory public welfare fund	Retained profits	Minority interests		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2006 (audited)	5,037,748	5,730,454	705,619	352,811	1,381,185	13,207,817	416,908	13,624,725
Profit for the period	—	—	—	—	570,167	570,167	18,026	588,193
Total recognised income and expenses for the period	—	—	—	—	570,167	570,167	18,026	588,193
Transfer (note)	—	—	352,811	(352,811)	—	—	—	—
Dividends recognised as distribution	—	—	—	—	(730,473)	(730,473)	—	(730,473)
Dividends paid to minority interests	—	—	—	—	—	—	(12,581)	(12,581)
At 30 June 2006 (unaudited)	5,037,748	5,730,454	1,058,430	—	1,220,879	13,047,511	422,353	13,469,864
Profit for the period	—	—	—	—	603,944	603,944	21,141	625,085
Total recognised income and expenses for the period	—	—	—	—	603,944	603,944	21,141	625,085
Appropriation	—	—	135,704	—	(135,704)	—	—	—
Dividends paid to minority interests	—	—	—	—	—	—	(15,666)	(15,666)
At 31 December 2006 (audited)	5,037,748	5,730,454	1,194,134	—	1,689,119	13,651,455	427,828	14,079,283
At 1 January 2007 (audited)	5,037,748	5,730,454	1,194,134	—	1,689,119	13,651,455	427,828	14,079,283
Profit for the period	—	—	—	—	804,732	804,732	21,250	825,982
Total recognised income and expenses for the period	—	—	—	—	804,732	804,732	21,250	825,982
Dividends recognised as distribution	—	—	—	—	(957,172)	(957,172)	—	(957,172)
Dividends paid to minority interests	—	—	—	—	—	—	(18,723)	(18,723)
At 30 June 2007 (unaudited)	5,037,748	5,730,454	1,194,134	—	1,536,679	13,499,015	430,355	13,929,370

Note:

In accordance with "Cai Qi [2006] No.67, Notice of accounting treatment as a result of the implementation of the PRC Company Law", the balance of statutory public welfare fund at 31 December 2005 was transferred to the statutory surplus reserve. Further, effective from 1 January 2006, appropriation of the profit as reported under the People's Republic of China ("PRC") statutory financial statements to the statutory public welfare fund is no longer required.

In accordance with the PRC Company Law and the articles of association, each of the Company and its subsidiaries registered in the PRC are required to appropriate 10% of the annual profit after taxation (after offsetting any prior years' losses), as reported under the PRC statutory financial statements to the statutory surplus reserve. When the balance of such reserve fund reaches 50% of each entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of capital after such usages.

Title of statutory surplus reserve will remain with the respective companies comprising the Group.

Statutory surplus reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended	
	30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Net cash generated by operating activities	<u>1,599,465</u>	<u>1,162,514</u>
Investing activities		
Purchase of property, plant and equipment and toll roads infrastructures	(656,161)	(923,773)
Other investing cash flows	<u>62,552</u>	<u>113,956</u>
Net cash used in investing activities	<u>(593,609)</u>	<u>(809,817)</u>
Financing activities		
New borrowings raised	3,350,000	1,050,000
Dividends paid	(526,090)	(720,527)
Dividends paid to minority shareholders	(18,723)	(12,581)
Interest paid	(218,046)	(148,795)
Repayment of borrowings	<u>(3,550,000)</u>	<u>(553,313)</u>
Net cash used in financing activities	<u>(962,859)</u>	<u>(385,216)</u>
Net increase (decrease) in cash and cash equivalents	42,997	(32,519)
Cash and cash equivalents at 1 January	<u>796,874</u>	<u>1,074,058</u>
Cash and cash equivalents at 30 June	<u><u>839,871</u></u>	<u><u>1,041,539</u></u>
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	<u><u>839,871</u></u>	<u><u>1,041,539</u></u>



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

1. GENERAL AND BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The Company was incorporated in the People's Republic of China (the "PRC") on 1 August 1992 as a joint stock limited company and its H shares and A shares are listed on The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange, respectively. Its ultimate holding company is Jiangsu Communications Holding Company Limited 江蘇交通控股有限公司 ("Jiangsu Communications"), a state-owned enterprise incorporated in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in its 2006 annual report.

The principal activities of the Company and its subsidiaries (the "Group") are investment, construction, operation and management of the Jiangsu section of Shanghai-Nanjing Expressway, the Jiangsu section of the 312 National Highway, Nanjing-Lianyungang Class 1 Highway - Nanjing Section and other toll roads in Jiangsu Province, and the provision of passenger transport services and other supporting services along the toll roads.

The Group's condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2007 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, a number of new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2007.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

HK(IFRIC) – Int 12 sets out general principles on recognising and measuring the obligations and related rights under service concession arrangements. The Group will apply this interpretation from 1 January 2008. The directors of the Company are still not yet in the position to reasonably estimate the impact that may arise on the Group's results and financial position from adoption of this interpretation. The directors of the Company anticipate that the application of the other new standards or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE

	Six months ended	
	30.6.2007	30.6.2006
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Toll revenue	1,966,647	1,518,418
Sales of petrol	387,123	196,194
Sales of food and beverages	53,811	40,960
Emergency assistance income and others	7,276	2,963
	<u>2,414,857</u>	<u>1,758,535</u>

4. SEGMENT INFORMATION

Business Segments

Business segment is the primary basis of segment reporting of the Group and segment information about the Group's operations is presented below:

	Six months ended 30.6.2007			Six months ended 30.6.2006		
	Toll revenue RMB'000 (unaudited)	Sale of petrol, food and beverages and provision of other supporting services RMB'000 (unaudited)	Total RMB'000 (unaudited)	Toll revenue RMB'000 (unaudited)	Sale of petrol, food and beverages and provision of other supporting services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue						
External sales	1,966,647	448,210	2,414,857	1,518,418	240,117	1,758,535
Segment results	1,408,253	19,838	1,428,091	1,028,653	4,812	1,033,465
Unallocated income			17,910			17,829
Unallocated expenses			(61,298)			(58,575)
Share of profits of associates			71,957			63,108
Finance costs			(253,590)			(206,775)
Loss on disposal of an associate			—			(714)
Changes in fair value of held-for-trading investments			595			—
Profit before taxation			1,203,665			848,338
Income tax expense			(377,683)			(260,145)
Profit for the period			825,982			588,193

5. OTHER INCOME

	Six months ended	
	30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Advertisement income	10,712	11,709
Interest on bank deposits	4,188	4,066
Dividend income from available-for-sale investments	200	—
Others	2,810	2,054
	17,910	17,829

6. FINANCE COSTS

	Six months ended	
	30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Interest on bank and other borrowings wholly repayable:		
Within five years	196,026	132,351
Over five years	57,564	74,424
	<u>253,590</u>	<u>206,775</u>

7. INCOME TAX EXPENSE

	Six months ended	
	30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	376,156	260,145
Deferred tax:		
Current year	(416)	—
Attributable to change in tax rate	1,943	—
	<u>1,527</u>	<u>—</u>
Income tax expense	<u>377,683</u>	<u>260,145</u>

The Company and its subsidiaries are subject to PRC Enterprise Income Tax rate of 33% (Six months ended 30 June 2006: 33%) pursuant to the relevant PRC income tax laws.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC, which will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

7. INCOME TAX EXPENSE (Continued)

The tax charge for the six months ended 30 June 2007 and 30 June 2006 can be reconciled to the profit before tax in the condensed consolidated income statement as follows:

	Six months ended			
	30.6.2007		30.6.2006	
	RMB'000	%	RMB'000	%
Profit before tax	<u>1,203,665</u>		<u>848,338</u>	
Tax at the applicable income tax rate of 33%	397,209	33.0	279,952	33.0
Tax effect of share of profits of associates	(23,746)	(1.9)	(20,826)	(2.4)
Tax effect of expenses not deductible for tax purposes	1,760	0.1	1,019	0.1
Tax effect of income not taxable for tax purposes	(29)	—	—	—
Tax effect of tax losses not recognised	546	—	—	—
Decrease in opening deferred tax balances resulting from a decrease in the applicable tax rate	1,943	0.2	—	—
Income tax expense and effective tax rate for the period	<u>377,683</u>	<u>31.4</u>	<u>260,145</u>	<u>30.7</u>

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2007 RMB'000 (Unaudited)	30.6.2006 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging (crediting) the following items:		
Staff costs including directors' remuneration	76,285	54,634
Retirement benefits scheme contributions	11,938	9,388
Total staff costs	88,223	64,022
Impairment loss reversed in respect of prepayments and other receivables	(54)	(8)
Depreciation of property, plant and equipment	110,430	98,732
Depreciation of toll roads infrastructures	295,277	249,963
Loss (gain) on disposal of property, plant and equipment	231	(174)
Amortisation of prepaid lease payments (included in cost of sales)	32,640	32,351
Cost of inventories recognised as expense	414,476	233,282
Government subsidies received	—	(1,810)

9. DIVIDENDS

During the period, the final dividend for 2006 of RMB0.19 (2005 final dividend: RMB0.145) per share had been approved by the shareholders in the general meeting.

The directors do not recommend the payment of an interim dividend (Six months ended 30 June 2006: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited profit attributable to equity holders of the Company for the six months ended 30 June 2007 of RMB 804,732,000 (Six months ended 30 June 2006: RMB570,167,000) and 5,037,747,500 (Six months ended 30 June 2006: 5,037,747,500) ordinary shares in issue during the period.

No diluted earnings per share is presented as the Company has no potential ordinary shares outstanding for each of the six months ended 30 June 2007 and 30 June 2006.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain motor vehicles, and other machinery and equipment with an aggregate carrying amount of RMB231,000, resulting in a loss on disposal of RMB231,000.

In addition, the Group spent approximately RMB22 million on the construction in progress, RMB6 million on its toll stations and ancillary equipment and RMB12 million on its other machinery and equipment in order to cope with the increasing traffic volume.

The Group's leasehold land use rights with a carrying amount of RMB18,242,000 was reclassified to prepaid lease payments during the current period.

12. PREPAYMENTS AND OTHER RECEIVABLES

	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Toll road fee	42,440	36,474
Prepayments	5,227	4,377
Receivable from liquidation of a former joint venture	18,812	18,812
Others	44,626	58,529
	<u>111,105</u>	<u>118,192</u>
Less: Accumulated impairment losses	(24,799)	(24,853)
	<u><u>86,306</u></u>	<u><u>93,339</u></u>

13. OTHER PAYABLES

	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Interest payables	56,012	20,468
Other tax payables	19,307	22,673
Payroll and welfare payables	32,063	37,366
Advance from customers	7,979	12,185
Others	113,642	78,246
	<u>229,003</u>	<u>170,938</u>

14. LONG-TERM BORROWINGS

	Maturity date 30.6.2007 & 31.12.2006	Effective interest rate		Carrying amount	
		30.6.2007	31.12.2006	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Unsecured bank loans	2008-2016	5.67%	5.71%	4,200,000	4,400,000
USD denominated Spain government loans (Note)	2007-2026	1.00%	1.00%	38,694	38,694
				4,238,694	4,438,694

Note: These long-term borrowings were guaranteed by the Company's parent, Jiangsu Communications.

The maturity of the above fixed-rate loans is as follows:

	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Within one year	202,902	1,935
More than one year but not exceeding two years	1,887	201,935
More than two years but not exceeding three years	901,887	501,935
More than three years but not exceeding four years	701,887	1,001,935
More than four years but not exceeding five years	401,887	501,935
More than five years	2,028,244	2,229,019
	4,238,694	4,438,694
Less: Amount due within one year included in current liabilities	(202,902)	(1,935)
Amount due after one year	4,035,792	4,436,759

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are US\$4,955,000 (31.12.2006: US\$4,955,000).

15. SHORT-TERM BORROWINGS

	30.6.2007 RMB'000 (Unaudited)	31.12.2006 RMB'000 (Audited)
Bank loans	3,010,000	3,010,000
Loans from other financial institutions	1,500,000	1,500,000
	4,510,000	4,510,000

The short-term loans from banks and other financial institutions are unsecured, repayable within one year and are arranged at fixed interest rates at the range of 4.65% to 5.75% (Six months ended 30 June 2006: 4.70% to 5.51%) per annum.

16. SHARE CAPITAL

	1.1.2006		Transfer		30.6.2006 & 31.12.2006		Transfer		30.6.2007	
	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000
	1. Non-tradable shares	3,665,747,500	3,665,748	(3,665,747,500)	(3,665,748)	—	—	—	—	—
2. Restricted tradable shares	—	—	3,617,747,500	3,617,748	3,617,747,500	3,617,748	(139,334,353)	(139,334)	3,478,413,147	3,478,413
3. Tradable shares										
– H shares	1,222,000,000	1,222,000	—	—	1,222,000,000	1,222,000	—	—	1,222,000,000	1,222,000
– A shares	150,000,000	150,000	48,000,000	48,000	198,000,000	198,000	139,334,353	139,334	337,334,353	337,334
Total	<u>5,037,747,500</u>	<u>5,037,748</u>	<u>—</u>	<u>—</u>	<u>5,037,747,500</u>	<u>5,037,748</u>	<u>—</u>	<u>—</u>	<u>5,037,747,500</u>	<u>5,037,748</u>

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, in return for the conversion of those non-tradable shares into restricted tradable shares, gave up certain of their non-tradable shares to the then shareholders of A-shares at a fixed ratio of 3.2 non-tradable shares for every 10 "A" shares held by the then holders of A-shares. As a result, 48,000,000 non-tradable shares were transferred to the then holders of A-shares by the non-tradable shareholders, and these 48,000,000 non-tradable shares were granted trading status on 16 May 2006. The formerly non-tradable shares were also converted into tradable shares but subject to certain restrictions in their sale.

During the period, pursuant to the terms of the Share Reform Proposal, 103,260,554 and 36,073,799 restricted tradable shares came into circulation on 16 May 2007 and 14 June 2007, respectively.

The restricted tradable shares, H shares and A shares have a par value of RMB 1 each and rank pari passu in all respects, except that ownership of restricted tradable shares are restricted to PRC legal persons, while H shares can only be owned and traded by overseas investors and A shares can only be owned and traded by PRC investors.

17. CAPITAL COMMITMENTS

Commitments for the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements

30.6.2007
RMB'000
(Unaudited)

51,417

31.12.2006
RMB'000
(Audited)

5,383

18. OTHER COMMITMENTS

At 30 June 2007, the Group is committed to pay Ninglian Ningtong Management Office, an independent third party, a management service charge at a fixed rate of 17% of the total toll revenue collected on Nanjing-Lianyungang Class 1 Highway - Nanjing Section per annum for a term of 30 years from 1 January 2000. Management service charge for the six months ended 30 June 2007 amounted to RMB5,469,000 (Six months ended 30 June 2006: RMB8,589,000).



VIII. 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 chief accounting officer and the person-in-charge of an accounting institution;
- (3) Original copies of all company documents and announcements published in the designated press during the reporting period;
- (4) Articles of Association of the Company;
- (5) Copies of interim reports released in other stock exchanges; and
- (6) Other relevant information.

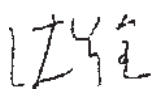
Shen Chang Quan
Chairman of the Board
Jiangsu Expressway Company Limited

17 August 2007
Nanjing, the PRC

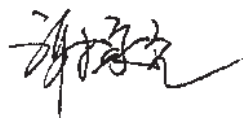
IX. Confirmation Opinion on 2007 Interim Report by Directors and Senior Management

The Company's directors and senior management hereby confirm in writing that they have reviewed the interim report for the year 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.

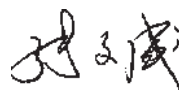
Directors



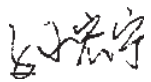
Shen Chang Quan



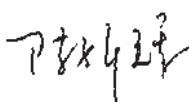
Xie Jia Quan



Zhang Wen Sheng



Sun Hong Ning



Chen Xiang Hui



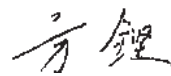
Fan Yu Shu



Cui Xiao Long



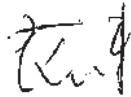
Chang Yung Tsung



Fang Hung, Kenneth

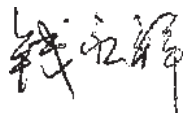


Yang Xiong Sheng



Fan Cong Lai

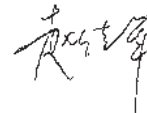
Senior Management Members



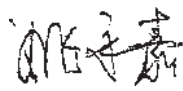
Qian Yong Xiang



Liu Wei



Zhao Jia Jun



Yao Yong Jia

Jiangsu Expressway Company Limited

17 August 2007