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

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

(Stock Code: 00177)

2017 THIRD 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 All directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 Mr. Chang Qing, the legal representative of the Company, Mr. Gu Dejun, the accounting chief, and Ms. 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 third 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 interim report of the Company for the six months ended 30 June 2017.

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	41,335,240,755	36,282,573,529	13.93
Net assets attributable to shareholders of the Company	22,981,930,947	22,209,756,185	3.48
	From the beginning of the year to the end of the Reporting Period (January – September)	From the beginning of the previous year to the end of the reporting period of the previous year (January – September)	Increase/ decrease compared to the corresponding period of the previous year (%)
Net cash flow generated from operating activities	3,946,996,005	4,249,510,465	-7.12
Operating revenue	6,990,321,462	6,266,289,166	11.55
Net profit attributable to shareholders of the Company	2,895,998,719	2,439,656,338	18.71
Net profit attributable to shareholders of the Company net of non-recurring profit and loss	2,883,834,188	2,426,787,423	18.83
Weighted average return on net assets (%)	12.62	11.05	Increased by 1.57 percentage point
Basic earnings per share (RMB per share)	0.5749	0.4843	18.71
Diluted earnings per share (RMB per share)	N/A	N/A	N/A

Non-recurring profit and loss items and amount

Applicable Not applicable

Unit: yuan Currency: RMB

Item	Amount for the Reporting Period (July – September)	Amount from the beginning of the year to the end of the Reporting Period (January – September)	Explanation
Gains or losses from disposal of non-current assets	-30,371	-1,609,288	
Government grants included in gains or losses for the current period (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and granted continuously according to certain standardized amounts or quotas)	465,625	1,972,551	Compensation for construction of Ningchang Expressway and subsidy for stabilizing employment 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 relevant to normal business of the Company	2,985,962	10,824,834	
Non-operating income and expenses other than the above items	-4,882,519	-16,738,334	
Other profit and loss items conforming with the definition of non-recurring profit and loss	7,587,096	21,729,153	Income from loans granted by the Group to Hanwei Company, a joint venture, during the Reporting Period
Affected minority interests (after tax)	51,367	30,344	
Affected income tax amount	-1,531,448	-4,044,729	
Total	4,645,712	12,164,531	

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 21,814 (number of H shareholders: 432 inclusive)

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 subject to trading restrictions	Shares pledged or frozen Status of shares	Number of shares	Nature of shareholders
Jiangsu Communications Holding Company Limited	2,742,578,825	54.44	0	Nil	0	State-owned legal person
China Merchants Highway Network Technology Holding Co., Ltd.	589,059,077	11.69	0	Nil	0	State-owned legal person
Commonwealth Bank of Australia	122,305,300	2.43	0	Unknown	0	Foreign legal person
BlackRock, Inc.	121,527,903	2.41	0	Unknown	0	Foreign legal person
JPMorgan Chase & Co.	82,901,847	1.65	0	Unknown	0	Foreign legal person
Mondrian Investment Partners Limited	5,958,000	1.18	0	Unknown	0	Foreign legal person
Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund	26,489,420	0.53	0	Unknown	0	Others
China Securities Finance Corporation Limited	23,130,631	0.46	0	Unknown	0	Others
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	0.42	0	Unknown	0	Others
Hong Kong Monetary Authority – Self-owned Funds	11,180,701	0.22	0	Unknown	0	Others

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

Name of shareholder	Number of circulating shares not subject to trading restrictions	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 Highway Network Technology Holding Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
Commonwealth Bank of Australia	122,305,300	Overseas-listed foreign shares	122,305,300
BlackRock, Inc.	121,527,903	Overseas-listed foreign shares	121,527,903
JPMorgan Chase & Co.	82,901,847	Overseas-listed foreign shares	82,901,847
Mondrian Investment Partners Limited	59,580,000	Overseas-listed foreign shares	59,580,000
Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund	26,489,420	RMB-denominated ordinary shares	26,489,420
China Securities Finance Corporation Limited	23,130,631	RMB-denominated ordinary shares	23,130,631
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
Hong Kong Monetary Authority – Self-owned Funds	11,180,701	RMB-denominated ordinary shares	11,180,701

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

(1) The Company is not aware of the existence of related party/ connected relationship or act-in-concert arrangement with respect to the above shareholders.

(2) During the Reporting Period, there were no related/ connected parties, strategic investors of the Company nor normal legal persons becoming the top ten shareholders of the Company because of placing of new shares.

(3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

Nil

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

Applicable Not applicable

3. SIGNIFICANT EVENTS

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

Applicable Not applicable

In the third quarter of 2017, the Group continued to steadily carry forward all businesses as scheduled. The Group achieved total operating revenue of approximately RMB2,321,286,000 for the third quarter based on the PRC accounting standards, representing an increase of approximately 5.47% as compared to the corresponding period of 2016.

In particular, revenue from toll business amounted to approximately RMB1,862,309,000, representing an increase of approximately 7.65% year-on-year. In the third quarter, the daily average traffic volume of Shanghai-Nanjing Expressway was 91,157 vehicles, increased by approximately 8.03% year-on-year, of which, the average daily traffic volume of passenger vehicles was 71,060 vehicles, increased by approximately 7.83% year-on-year, while the average daily traffic volume of trucks was 20,097 vehicles, increased by approximately 8.78% year-on-year. The proportion of passenger vehicle traffic volume and truck traffic volume maintained relatively stable at approximately 77.95% and approximately 22.05% respectively. During the Reporting Period, revenue from Sujiahang Expressway decreased due to the traffic ban on trucks in the city proper of Suzhou since December 2016. The average daily traffic volume grew substantially for Nanjing-Lianyungang Highway, Ningchang Expressway and Zhenli Expressway. In addition, the passenger vehicle and truck traffic volume of other road and bridge projects increased to various extent. Continuing to maintain stable growth, our operation demonstrated a favorable overall performance.

The revenue from the ancillary business in the third quarter amounted to approximately RMB415,199,000, representing a decrease of approximately 1.11% year-on-year, mainly resulting from year-on-year decrease in income from catering and retailing as a result of outsourcing of certain service areas. However, the overall operating revenue from service areas recorded an increase due to significant increase in rental income.

In terms of property business, due to the continuous implementation of regulation policies on the limitations on purchase of properties and grant of loans in the property sectors in Nanjing, Suzhou and Jurong, the Company made great efforts to increase the selling rate under the existing regulation policies. The development and sale of property projects under the property business progressed orderly and revenue from pre-sale of property projects amounted to approximately RMB54,607,000. However, since only a few property projects were delivered in this quarter, carry-over revenue from sales of delivered units amounted to approximately RMB29,428,000, representing a year-on-year decrease of approximately 16.09%. Advertising and other businesses achieved revenue of approximately RMB14,350,000, representing a decrease of approximately 10.56% year-on-year, mainly attributable to a year-on-year decrease in advertising business revenue.

In the third quarter, the operating cost of the Group amounted to approximately RMB965,235,000, basically in line with that of the corresponding period of last year; the operating profit amounted to approximately RMB1,320,566,000, representing an increase of approximately 12.13% year-on-year; the net profit attributable to equity holders of the Company amounted to approximately RMB996,339,000, representing an increase of approximately 13.24% as compared to the corresponding period of last year.

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

Road/Bridge	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	January - September	Corresponding period of the previous year	Increase/ decrease %	January - September	Corresponding period of the previous year	Change %
Shanghai-Nanjing Expressway	91,088	84,275	8.08	13,069.60	12,471.99	4.79
Nanjing-Lianyungang Highway	5,699	4,887	16.62	91.06	66.86	36.20
Guangjing Expressway	68,816	66,361	3.70	797.61	790.40	0.91
Xicheng Expressway	76,697	71,552	7.19	1,562.42	1,479.62	5.60
Jiangyin Bridge	84,475	79,262	6.58	3,064.66	2,852.22	7.45
Sujiahang Expressway	60,681	58,331	4.03	3,005.05	3,418.83	-12.10
Ningchang Expressway	37,409	31,688	18.06	2,181.75	1,846.65	18.15
Zhenli Expressway	11,645	9,960	16.91	674.88	563.8	19.70
Xiyi Expressway	20,774	19,172	8.36	823.04	763.89	7.74
Wuxi Huantaihu Expressway	7,697	7,391	4.14	84.35	73.10	15.39

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 corresponding VAT has been deducted from the average daily revenue for the above road and bridge projects since May 2016. Therefore, the recognition methods for toll revenue were different.

From January to September 2017, the Group achieved accumulated operating revenue of approximately RMB6,990,321,000, representing an increase of approximately 11.55% as compared to the corresponding period of 2016, of which, toll revenue amounted to approximately RMB5,264,727,000, representing an increase of approximately 6.41% as compared to the corresponding period of 2016; revenue from ancillary business amounted to approximately RMB1,263,380,000, representing an increase of approximately 2.54% as compared to the corresponding period of 2016; the cumulative revenue from pre-sale of property projects under property business during the Reporting Period amounted to approximately RMB308,831,000, and the carry-over revenue from sales amounted to approximately RMB416,215,000, representing an increase of approximately 745.68% year-on year since the scale being delivered and carried forward in the Reporting Period was larger compared to the corresponding period of 2016; and revenue from advertising and other businesses amounted to approximately RMB45,999,000, representing an increase of approximately 22.35% as compared to the corresponding period of 2016.

In terms of business cost, the Group recorded accumulated operating cost of approximately RMB3,037,005,000 from January to September, representing an increase of approximately 13.60% as compared to the corresponding period of 2016, mainly due to year-on-year increase in cost of toll business and property business.

The Group recorded accumulated operating profit of approximately RMB3,866,477,000 from January to September, representing an increase of approximately 18.08% as compared to the corresponding period of 2016. The Group achieved net profit attributable to equity holders of the Company of approximately RMB2,895,999,000, and earnings per share of approximately RMB0.5749, representing an increase of approximately 18.71% as compared to the corresponding period of 2016.

Details of and reasons for material changes in the major financial statement items and financial indicators are as follows:

Reasons for Material Changes in Balance Sheet Items as at 30 September 2017

Unit: yuan Currency: RMB

Item	As at the end of the Reporting Period	As at the end of previous year	Change %	Reason of changes
Cash and bank balances	464,425,745	265,422,162	74.98	The increase was mainly because the project construction funds of the new toll roads and bridges projects companies were in place at the end of the Reporting Period.
Bills receivable	3,570,000	6,116,460	-41.63	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 Reporting Period.
Accounts receivable	230,322,158	148,153,297	55.46	Mainly due to the increase in the allocation of road tolls receivable during the Reporting Period.
Prepayments	28,375,458	16,851,683	68.38	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 Reporting Period.
Interests receivable	71,230,833	45,694,000	55.89	Mainly due to the increase in interest on borrowings due from Hanwei Company, a joint venture, during the Reporting Period.

Item	As at the end of the Reporting Period	As at the end of previous year	Change %	Reason of changes
Other receivables	33,464,402	422,083,818	-92.07	The third batch of compensation received for the early termination of toll road concession rights of G312 Shanghai-Nanjing Section during 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 during the Reporting Period.
Investment properties	20,198,344	32,113,394	-37.10	Mainly due to transfer of investment properties by Ninghu Investment, a subsidiary of the Company, during the Reporting Period.
Construction in progress	6,794,706,800	1,197,809,229	467.26	Mainly attributed to investments of road and bridge projects under construction, including Wufengshan Toll Bridge, Changyi Expressway Phase I Project, as well as investments of Yichang Expressway Project and Zhendan Expressway Project during the Reporting Period.
Deferred income tax assets	239,282,824	345,345,094	-30.71	Mainly due to reversal of deferred income tax assets arising from making up losses in previous years by Ningchang Zhenli Company, a subsidiary of the Company, during the Reporting Period.

Item	As at the end of the Reporting Period	As at the end of previous year	Change %	Reason of changes
Other non-current assets	200,216,677	376,477,785	-46.82	Mainly due to the adjustment of RMB300 million of shareholders' loans, granted by the Company to Hanwei Company from other non-current assets to non-current assets due within one year and addition of entrusted loans of RMB120 million granted by the Company to Hanwei Company during the Reporting Period.
Short-term borrowings	2,979,000,000	810,000,000	267.78	Mainly due to increase in short-term borrowings for satisfaction of needs for capital turnover during the Reporting Period.
Taxes payable	160,489,230	231,702,787	-30.73	Mainly due to the full payment of corporate income tax for 2016 during the Reporting Period.
Other payables	62,107,491	39,984,545	55.33	Mainly due to an increase in the amounts for purchase of property received by Ninghu Properties, a subsidiary of the Company, from property buyers which have not entered into contracts.
Non-current liabilities due within one year	570,448,492	121,718,718	368.66	Mainly due to the adjustment of mid-term notes, issued on 21 June 2013 by the Company due on 21 June 2018, from bonds payable to non-current liabilities due within one year during the Reporting Period.
Long-term borrowings	3,057,712,940	1,471,905,901	107.74	Mainly due to increase in loans for construction of toll road and bridge projects under construction during the Reporting Period.

Item	As at the end of the Reporting Period	As at the end of previous year	Change %	Reason of changes
Minority interests	2,358,885,823	732,100,804	222.21	Mainly due to capital contributions received by new subsidiaries such as Wufengshan Toll Bridge Company, Changyi Company and Yichang Company, from minority shareholders during the Reporting Period.

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

Unit: yuan Currency: RMB

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Change %	Reason of changes
Business taxes and levies	67,127,345	122,665,266	-45.28	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	9,747,052	15,393,949	-36.68	Mainly due to year-on-year decrease in related commission fees and advertising fees from pre-sales activities as a result of lower pre-sale scale of property business of Ninghu Properties, a subsidiary of the Company, during the Reporting Period as affected by another round of regulation policies on property industry launched by the PRC government.

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Change %	Reason of changes
Gain on changes in fair value	4,357,385	-983,963	-542.84	Mainly due to increase in fair value of trading financial assets held by Ninghu Investment, a subsidiary of the Company, during the Reporting Period.
Investment income	452,716,122	333,092,484	35.91	Mainly due to year-on-year increase in investment income contributed by associates and higher dividends from available-for-sale financial assets during the Reporting Period as compared with corresponding period last year.
Non-operating revenue	5,166,876	13,907,333	-62.85	Mainly due to the compensation for the land use right of the soil extraction pit received by the Company in the corresponding period last year, while no such income was received during the Reporting Period.
Net amount of other comprehensive income after tax attributable to owners of the parent company	-7,970,007	750,991,752	-101.06	Mainly due to larger base figure of other comprehensive income resulting from significant increase in the fair value of the shares of Bank of Jiangsu (the shares of which were listed in the A share market) held by the Company, as compared with the book value of the initial investment of the Company, during the corresponding period last year.

Reason for change in cash flow statement items during the Reporting Period

Unit: yuan Currency: RMB

Item	From beginning of the year to end of the Reporting Period	Corresponding period of last year	Change %	Reason of changes
Net cash flows from investment activities	-5,766,691,601	193,349,986	-3,082.51	The substantial decrease in the net cash flows from investment activities was mainly due to the significant year-on-year increase in funds paid for construction of the projects of Wufengshan Toll Bridge, Changyi Expressway Phase I Project, Yichang Expressway Project and Zhendan Expressway Project during the Reporting Period.
Net cash flows from financing activities	2,082,345,085	-4,475,280,661	-146.53	The substantial year-on-year increase in the net cash flows from financing activities was mainly due to capital contribution from minority shareholders received by the new project companies, and the year-on-year decrease in net cash outflow for payment of interest-bearing debts by the Company during the Reporting Period.

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

Applicable Not applicable

1. *Subscription of Private Fund*

The Company convened the fifteenth meeting of the eighth session of the board of directors on 28 April 2017 to consider and approve the resolution on the subscription of CDB Kai Yuan Phase II Fund by Ninghu Investment, a wholly-owned subsidiary of the Company, with additional contribution of up to RMB700 million. The subscription amount was payable by installments according to the subsequent status of investments in projects and the Company has invested a total of RMB1,200 million in CDB Kai Yuan Phase II Fund. The actual contribution for 2017 was RMB318 million and the accumulative contribution as at the end of the Reporting Period was RMB473 million.

For details about the subscription of private fund (including the investment scope of the fund), please refer to the announcements of the Company published on the websites of Shanghai Stock Exchange at www.sse.com.cn and the Stock Exchange at www.hkex.com.hk on 27 August 2016, 31 August 2016, 19 November 2016 and 29 April 2017, respectively.

At the same time, the Company put great efforts to develop ancillary businesses and explore new sources of profit. In the first half of the year, Luode Fund Company, a subsidiary of Ninghu Investment, completed the establishment and filing of the parent real estate fund. In 2017, Ninghu Investment made an actual contribution of RMB40 million, with accumulative contribution of RMB115 million as at the end of the Reporting Period.

2. *Investment in the Construction of New Toll Roads and Bridges*

In the first half of 2017, the Company devoted great efforts to the construction of Wufengshan Toll Bridge and established Wufengshan Toll Bridge Company. The construction of the combined section of highway and railway of Wufengshan Toll Bridge has commenced since the beginning of last year and the bridge substructure is now under construction. At present, RMB3.642 billion has been invested in Wufengshan Toll Bridge Company, representing approximately 30.18% of the total project investment. Wufengshan Toll Bridge officially commenced construction on 11 October 2017. For details, please refer to the relevant announcements of the Company dated 6 September 2016 and 27 March 2017 published on China Securities, Shanghai Securities News and the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

Zhendan Expressway project, in which the Company held 70% of the share capital, officially commenced in October 2015. At present, a cumulative investment of RMB1.2 billion has been made. The project is currently under construction and is expected to be put into operation in 2018.

Changyi Expressway Phase I Project, in which Guangjing Xicheng Company held 60% of the share capital, is under preparation, and land acquisition, demolition and relocation have been commenced. As at the end of the Reporting Period, the actual capital contribution of the project of RMB1.28 billion was completed, representing approximately 33.69% of the total project investment. For details, please refer to the relevant announcements of the Company dated 30 December 2015 and 27 March 2017 published on China Securities, Shanghai Securities News and the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

The Company convened the thirteenth meeting of the eighth session of the board of directors of the Company on 3 March 2017 to consider and approve that Guangjing Xicheng Company, a subsidiary of the Company, contributed no more than RMB1 billion for investment in the new project of Yichang Expressway. For details of the project investment, please refer to the announcements of the Company dated 6 March 2017 published on China Securities, Shanghai Securities News and the website of the Shanghai Stock Exchange at www.sse.com.cn, and dated 3 March 2017 and 27 March 2017 published on the website of the Stock Exchange at www.hkexnews.hk. Yichang Expressway officially commenced construction on 29 September 2017. As at the end of the Reporting Period, RMB700 million was invested in the project, representing approximately 17.59% of the total project investment.

3. *Progress on the compensation arrangements for the G312 Shanghai-Nanjing Section*

On 25 July 2017, the Company received the third batch of compensation of RMB394,814,890 for the early termination of toll road concession rights of the G312 Shanghai-Nanjing Section. As such, all of the compensation has been fully settled. For details, please refer to the progress announcement of the Company dated 27 July 2017 published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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 28 October 2017

4. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

30 September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance as at the end of the Reporting Period	Balance as at the beginning of the year
Current Assets:		
Cash and bank balances	464,425,745	265,422,162
Financial assets at fair value through profit and loss for the period	37,570,102	33,212,717
Bills receivable	3,570,000	6,116,460
Accounts receivable	230,322,158	148,153,297
Prepayments	28,375,458	16,851,683
Interests receivable	71,230,833	45,694,000
Dividends receivable	4,989,960	4,989,960
Other receivables	33,464,402	422,083,818
Inventories	3,020,005,683	3,142,326,304
Non-current assets due within one year	300,000,000	0
Other current assets	260,677,984	326,161,615
Including: Available-for-sale financial assets – wealth management products	198,800,000	262,504,747
Prepayment of taxes and levies related to presale of real estate	61,877,984	63,648,689
Others	0	8,179
Total Current Assets	4,454,632,325	4,411,012,016

Items	Balance as at the end of the Reporting Period	Balance as at the beginning of the year
Non-current Assets:		
Available-for-sale financial assets	2,443,583,074	2,086,127,987
Long-term equity investments	5,014,630,938	4,771,195,958
Investment properties	20,198,344	32,113,394
Fixed assets	1,695,802,111	1,734,084,711
Construction in progress	6,794,706,800	1,197,809,229
Intangible assets	20,470,064,567	21,324,779,176
Long-term deferred expenses	2,123,095	3,628,179
Deferred income tax assets	239,282,824	345,345,094
Other non-current assets	200,216,677	376,477,785
Including: Loan granted to joint venture	189,000,000	369,000,000
Purchase of apartments for talents	11,216,677	7,477,785
	<hr/> 36,880,608,430 <hr/>	<hr/> 31,871,561,513 <hr/>
Total Non-current Assets	36,880,608,430	31,871,561,513
	<hr/> 41,335,240,755 <hr/>	<hr/> 36,282,573,529 <hr/>
TOTAL ASSETS	41,335,240,755	36,282,573,529
Current Liabilities:		
Short-term borrowings	2,979,000,000	810,000,000
Accounts payable	747,872,492	987,946,428
Receipts in advance	860,861,194	940,873,359
Employee remuneration payable	4,916,086	4,816,324
Taxes payable	160,489,230	231,702,787
Interest payable	90,803,542	92,220,187
Dividends payable	81,117,999	73,614,218
Other payables	62,107,491	39,984,545
Non-current liabilities due within one year	570,448,492	121,718,718
Other current liabilities	3,240,176,113	3,936,452,668
Including: Super short-term financing bonds	3,240,176,113	3,936,452,668
	<hr/> 8,797,792,639 <hr/>	<hr/> 7,239,329,234 <hr/>
Total Current Liabilities	8,797,792,639	7,239,329,234

Items	Balance as at the end of the Reporting Period	Balance as at the beginning of the year
Non-current liabilities:		
Long-term borrowings	3,057,712,940	1,471,905,901
Bonds payable	3,967,519,946	4,457,801,187
Deferred income	31,946,600	33,317,704
Deferred income tax liabilities	139,451,860	138,362,514
	<u>7,196,631,346</u>	<u>6,101,387,306</u>
Total Non-current Liabilities	7,196,631,346	6,101,387,306
	<u>15,994,423,985</u>	<u>13,340,716,540</u>
TOTAL LIABILITIES	15,994,423,985	13,340,716,540
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	534,419,045	542,389,052
Surplus reserve	3,153,173,160	3,153,173,160
Retained profits	3,828,203,007	3,048,058,238
	<u>22,981,930,947</u>	<u>22,209,756,185</u>
Total owners' equity attributable to the parent company	22,981,930,947	22,209,756,185
Minority interests	2,358,885,823	732,100,804
	<u>25,340,816,770</u>	<u>22,941,856,989</u>
TOTAL OWNERS' EQUITY	25,340,816,770	22,941,856,989
	<u>41,335,240,755</u>	<u>36,282,573,529</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	41,335,240,755	36,282,573,529

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

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

Balance Sheet of the Parent Company

30 September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance as at the end of the Reporting Period	Balance as at the beginning of the year
Current Assets:		
Cash and bank balances	64,144,306	98,649,203
Accounts receivable	149,332,876	102,488,935
Prepayments	15,745,780	9,116,045
Interests receivable	73,134,306	47,940,597
Dividends receivable	4,989,960	4,989,960
Other receivables	17,884,378	403,316,212
Inventories	19,274,518	22,388,679
Non-current assets due within one year	350,000,000	0
Other current assets	145,500,000	303,141,833
Including: Available-for-sale financial assets-wealth management products	145,500,000	0
Loan from a related party	0	303,141,833
Total Current Assets	840,006,124	992,031,464

Items	Balance as at the end of the Reporting Period	Balance as 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	14,963,531,333	12,850,682,084
Fixed assets	997,865,048	1,055,641,400
Construction in progress	40,174,884	49,051,089
Intangible assets	11,114,176,428	11,592,006,027
Other non-current assets	2,208,493,387	2,518,859,835
Including: Loan granted to joint venture	189,000,000	369,000,000
Purchase of apartments for talents	11,216,677	7,477,785
Loan from a related party	618,267,710	602,382,050
Entrusted loan due after one year	1,390,000,000	1,540,000,000
	<hr/> 30,891,471,080 <hr/>	<hr/> 29,633,470,435 <hr/>
Total Non-current Assets		
	<hr/> 31,731,477,204 <hr/>	<hr/> 30,625,501,899 <hr/>
TOTAL ASSETS		
Current Liabilities:		
Short-term borrowings	2,343,000,000	770,000,000
Accounts payable	271,388,237	310,276,757
Receipts in advance	34,522,855	8,035,625
Employee remuneration payable	1,094,715	764,117
Taxes payable	92,652,003	151,738,572
Interest payable	65,775,769	74,066,670
Dividends payable	81,117,999	73,614,218
Other payables	25,879,572	21,431,361
Non-current liabilities due within one year	500,448,492	1,718,718
Other current liabilities	3,240,176,113	3,936,452,668
Including: Super short-term financing bonds	3,240,176,113	3,936,452,668
	<hr/> 6,656,055,755 <hr/>	<hr/> 5,348,098,706 <hr/>
Total Current Liabilities		

Items	Balance as at the end of the Reporting Period	Balance as at the beginning of the year
Non-current Liabilities:		
Long-term borrowings	16,812,940	118,905,901
Bonds payable	3,967,519,946	4,457,801,187
Deferred income tax liabilities	136,486,744	136,486,744
Total Non-current Liabilities	<u>4,120,819,630</u>	<u>4,713,193,832</u>
TOTAL LIABILITIES	<u>10,776,875,385</u>	<u>10,061,292,538</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	515,993,813	523,963,820
Surplus reserve	2,518,873,750	2,518,873,750
Retained profits	5,554,336,429	5,155,973,964
TOTAL OWNERS' EQUITY	<u>20,954,601,819</u>	<u>20,564,209,361</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>31,731,477,204</u>	<u>30,625,501,899</u>

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

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

Consolidated Income Statement
January–September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Total operating income	2,321,286,397	2,200,901,311	6,990,321,462	6,266,289,166
Including: Operating income	2,321,286,397	2,200,901,311	6,990,321,462	6,266,289,166
II. Total operating costs	1,163,800,433	1,150,692,073	3,580,918,465	3,323,888,347
Including: Operating costs	965,234,623	955,840,594	3,037,004,690	2,673,351,620
Taxes and surcharges	21,908,478	16,035,102	67,127,345	122,665,266
Selling expenses	1,099,793	5,090,923	9,747,052	15,393,949
Administrative expenses	43,539,242	42,801,201	123,337,931	119,926,519
Financial expenses	132,018,297	130,924,253	343,701,447	392,550,993
Add: Gains from changes in fair value (Loss is indicated by “-”)	1,813,505	258,350	4,357,385	-983,963
Investment income (Loss is indicated by “-”)	161,266,959	127,205,300	452,716,122	333,092,484
Including: Income from investments in associates and joint ventures	152,507,405	118,287,684	370,199,520	299,425,609

Items	Amount for the Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
III. Operating profit (Loss is indicated 'by "-")	1,320,566,428	1,177,672,888	3,866,476,504	3,274,509,340
Add: Non-operating income	2,438,996	2,629,789	5,166,876	13,907,333
Including: Gains from disposal of non-current assets	1,577	19,850	80,776	40,983
Less: Non-operating expenses	6,886,261	7,798,407	21,541,947	19,591,930
Including: Losses from disposal of non-current assets	31,948	454,812	1,690,064	959,031
IV. Total profit (Total loss is indicated by "-")	1,316,119,163	1,172,504,270	3,850,101,433	3,268,824,743
Less: Income tax expense	291,924,567	268,652,348	872,905,878	758,789,984
V. Net profit (Net loss is indicated by "-")	1,024,194,596	903,851,922	2,977,195,555	2,510,034,759
Net profit attributable to owners of the parent company	996,338,534	879,837,020	2,895,998,719	2,439,656,338
Profit and loss attributable to minority interests	27,856,062	24,014,902	81,196,836	70,378,421
VI. Net amount of other comprehensive income after tax	1,700,908	755,418,645	-7,970,007	750,991,752
Net amount of other comprehensive income after tax attributable to owners of the parent company	1,700,908	755,418,645	-7,970,007	750,991,752
(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	1,700,908	755,418,645	-7,970,007	750,991,752
Share of other comprehensive income of investees that will subsequently be reclassified to the profit and losses under equity method	1,700,908	755,418,645	-7,970,007	750,991,752

Items	Amount for the Period (July- September)	Amount for the corresponding period of the previous year (July- September)	Amount for	Amount for
			the period from the beginning of the year to the end of the Reporting Period (January- September)	the period from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
VII. Total comprehensive income	1,025,895,504	1,659,270,567	2,969,225,548	3,261,026,511
Total comprehensive income attributable to owners of the parent company	998,039,442	1,635,255,665	2,888,028,712	3,190,648,090
Total comprehensive income attributable to minority interests	27,856,062	24,014,902	81,196,836	70,378,421
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.1978	0.1746	0.5749	0.4843

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

<i>Legal representative:</i> Chang Qing	<i>Accounting chief:</i> Gu Dejun	<i>Person-in-charge of the accounting department:</i> Yu Lan Ying
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Income Statement of the Parent Company
January–September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the current Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for	Amount for
			the period from the beginning of the year to the end of the Reporting Period (January– September)	the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Operating income	1,669,704,223	1,604,907,780	4,812,465,648	4,623,032,062
Less: Operating costs	685,034,825	675,851,971	2,036,039,693	1,977,832,811
Taxes and surcharges	10,738,294	9,584,461	30,689,074	74,924,044
Administrative expenses	32,309,661	32,355,738	89,130,533	89,024,640
Financial expenses	102,558,769	109,759,945	263,324,286	322,375,608
Investment income (Loss is indicated by “-”)	120,519,427	104,207,443	754,712,194	655,082,916
Including: Income from investments in associates and joint ventures	94,369,423	74,649,213	228,956,206	180,576,477
II. Operating profit (Loss is indicated by “-”)	959,582,101	881,563,108	3,147,994,256	2,813,957,875
Add: Non-operating income	1,027,203	1,297,303	1,416,529	10,959,719
Including: Gains from disposal of non-current assets	1,700	19,850	74,563	39,464
Less: Non-operating expenses	4,569,274	5,245,909	12,886,727	13,589,958
Including: Losses from disposal of non-current assets	12,947	90,051	9,036	179,876
III. Total profit (Total loss is indicated by “-”)	956,040,030	877,614,502	3,136,524,058	2,811,327,636
Less: Income tax expense	215,417,651	200,741,323	622,307,643	571,828,269

Items	Amount for the current Period (July- September)	Amount for the corresponding period of the previous year (July- September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January- September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
IV. Net profit (Net loss is indicated by “-”)	740,622,379	676,873,179	2,514,216,415	2,239,499,367
V. Net amount of other comprehensive income after tax	1,700,908	755,418,645	-7,970,007	750,991,752
(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	1,700,908	755,418,645	-7,970,007	750,991,752
1. Share of other comprehensive income of investees will subsequently be reclassified to profit and loss under equity method	1,700,908	755,418,645	-7,970,007	750,991,752
VI. Total comprehensive income	742,323,287	1,432,291,824	2,506,246,408	2,990,491,119
VII. Earnings per share				
(I) Basic earnings per share (RMB/share)	0.1470	0.1344	0.4991	0.4445

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

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

Consolidated Cash Flow Statement

January–September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	7,211,258,174	8,124,670,014
Other cash receipts relating to operating activities	143,347,178	54,397,173
Subtotal of cash inflows from operating activities	7,354,605,352	8,179,067,187
Cash payments for goods purchased and service received	1,660,240,343	2,396,364,111
Cash payments to and on behalf of employees	567,891,682	538,548,182
Taxes payment	1,098,746,602	899,644,003
Other cash payments relating to operating activities	80,730,720	95,000,426
Sub-total of cash outflows from operating activities	3,407,609,347	3,929,556,722
Net cash flows from operating activities	3,946,996,005	4,249,510,465

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	3,251,453,747	2,292,000,000
Cash receipts from investment income	204,119,233	120,823,019
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	394,871,520	394,941,401
Sub-total of cash inflows from investing activities	3,850,444,500	2,807,764,420
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	5,933,131,014	306,167,332
Cash payments for investments	3,564,005,087	2,239,247,102
Other cash payments relating to investment activities	120,000,000	69,000,000
Sub-total of cash outflows from investing activities	9,617,136,101	2,614,414,434
Net cash flows from investing activities	<u><u>-5,766,691,601</u></u>	<u><u>193,349,986</u></u>

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
III. Cash flows from financing activities:		
Cash received from investors	1,618,445,170	–
Including: Cash received by subsidiaries from minority shareholders’ investment	1,618,445,170	–
Cash receipts from borrowings	6,506,900,000	3,245,000,000
Cash receipts from issuance of bonds	4,995,365,827	8,781,313,645
Sub-total of cash inflows from financing activities	13,120,710,997	12,026,313,645
Cash repayments of borrowings	8,501,704,918	13,988,147,053
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,527,369,000	2,500,359,354
Including: Dividends, profits paid to minority shareholders by subsidiaries	72,856,987	67,770,972
Other cash payments relating to financing activities	9,291,994	13,087,899
Sub-total of cash outflows from financing activities	11,038,365,912	16,501,594,306
 Net cash flows from financing activities	 2,082,345,085	 -4,475,280,661
IV. Effects of changes in foreign exchange rate on cash and cash equivalents	–	–
V. Net increase in cash and cash equivalents	262,649,489	-32,420,210
Add: Opening balance of cash and cash equivalents	194,272,978	221,115,078
VI. Closing balance of cash and cash equivalents	456,922,467	188,694,868

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

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

Cash Flow Statement of the Parent Company
January–September 2017

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	5,121,353,668	5,454,050,529
Other cash receipts relating to operating activities	13,397,986	17,407,804
Sub-total of cash inflows from operating activities	5,134,751,654	5,471,458,333
Cash payments for goods purchased and service received	1,386,833,133	2,048,056,494
Cash payments to and on behalf of employees	370,694,747	348,395,360
Taxes payment	839,238,993	603,359,934
Other cash payments relating to operating activities	32,181,270	31,472,110
Sub-total of cash outflows from operating activities	2,628,948,143	3,031,283,898
Net cash flows from operating activities	2,505,803,511	2,440,174,435

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	1,754,900,000	1,044,000,000
Cash receipts from investment income	619,422,420	563,748,156
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	394,963,870	394,868,061
Other cash receipts relating to investing activities	100,000,000	1,125,000,000
Sub-total of cash inflows from investing activities	2,869,286,290	3,127,616,217
Cash payments to acquire or construct fixed assets, intangible assets and other long term assets	63,767,927	107,843,994
Cash payments for investments	3,907,996,830	886,317,102
Other cash payments relating to investment activities	120,000,000	699,000,000
Sub-total of cash outflows from investing activities	4,091,764,757	1,693,161,096
Net cash flows from investing activities	<u>-1,222,478,467</u>	<u>1,434,455,121</u>
III. Cash flows from financing activities:		
Cash receipts from borrowings	3,909,000,000	3,520,000,000
Cash receipts from issue of bonds	4,995,365,827	8,481,313,645
Sub-total of cash inflows from financing activities	8,904,365,827	12,001,313,645
Cash repayments of borrowings	7,837,704,918	13,527,647,053
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,375,198,856	2,377,817,141
Other cash payments relating to financing activities	9,291,994	13,087,899
Sub-total of cash outflows from financing activities	10,222,195,768	15,918,552,093
Net cash flows from financing activities	<u>-1,317,829,941</u>	<u>-3,917,238,448</u>

Items	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
IV. Effects of changes in foreign exchange rate on cash and cash equivalents	–	–
V. Net increase in cash and cash equivalents	-34,504,897	-42,608,892
Add: Opening balance of cash and cash equivalents	98,649,203	121,485,890
VI. Closing balance of cash and cash equivalents	64,144,306	78,876,998

Legal representative:
Chang Qing

Accounting chief:
Gu Dejun

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

4.2 Auditors' Report

Applicable Not Applicable

By Order of the Board
Jiangsu Expressway Company Limited
Chang Qing
Chairman of the Board

Nanjing, the PRC, 27 October 2017

As at the date of this announcement, the Directors of the Company are:

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

* *Independent Non-executive Directors*

English translation of Chinese name for identification purpose only