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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 ANNUAL RESULTS PRELIMINARY ANNOUNCEMENT**

The content of this announcement is disclosed pursuant to Rule 13.49(6) and paragraph 45 of Appendix 16 of Hong Kong Listing Rules.

**I. IMPORTANT NOTICE**

- 1.1** The Board of directors, the supervisory committee and the directors, supervisors and senior management of Jiangsu Expressway Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement; and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the content of this announcement.

The contents of this announcement are extracted from the full text of the annual report, which will be posted on the websites of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jsexpressway.com](http://www.jsexpressway.com)). Investors should read the full text of the annual report carefully for details.

## 1.2 Absent Directors

Position held by absent director	Name of absent director	Reasons for absence	Name of proxy
Director	Wu Xinhua	Due to business engagement	Hu Yu
Independent Director	Zhang Zhuting	Due to business engagement	Zhang Erzhen

**1.3** Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified auditor's report for the Company. The annual financial statements of the Company has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and is in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.

## 1.4 Company profile

Stock Abbreviation	寧滬高速 (A Shares)	Jiangsu Expressway (H shares)	JEXYY (ADR)
Stock Code	600377	0177	477373104
Listing Stock Exchange	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	United States
	Secretary to the Board	Representatives of Securities Affairs	
Name	Yao Yongjia	Jiang Tao and Lou Qing	
Telephone Number	8625-8446 9332	8625-8436 2700-301835, 301315	
Fax Number	8625-8420 7788	8625-8446 6643	
E-mail Address		jsnh@jsexpressway.com	

**1.5** Unless otherwise specified, the financial figures involved in this announcement are expressed in RMB.

**1.6** For the items and company abbreviation involved in this announcement, please refer to section XI of this announcement.

## **II. PROFIT DISTRIBUTION PLAN**

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of approximately RMB3.588 billion. The Board proposed to declare final dividends of RMB0.44 per share (tax inclusive) in favour of the shareholders based on the total share capital of the Company of 5,037,747,500 shares, representing approximately 61.78% of the net profit attributable to the shareholders of the Company for the Reporting Period. The Company did not implement conversion of surplus reserve into share capital for the Reporting Period. The proposed dividends are expected to be paid on or before 31 July 2018.

## **III. PRINCIPAL BUSINESSES OR PRODUCTS OVERVIEWS DURING THE REPORTING PERIOD**

The Company is principally engaged in the investment, construction, operation and management of Shanghai-Nanjing Expressway and other toll highways within the Jiangsu Province owned or invested by the Group and the development and operation of ancillary service areas along these highways (including refueling, catering, retailing, advertising and accommodation, and so forth). In addition, the Group is actively exploring and venturing into new business fields, and engaged in real estate investment and development, expressway advertising and media activities as well as other financial, quasi-financial and industrial investment, aiming to further enhance profitability and achieve sustainable development of the Group.

As at 31 December 2017, 850 kilometres of highways were owned or invested by the Group. Meanwhile, the Group owned three wholly-owned subsidiaries, three non-wholly-owned subsidiaries and ten non-wholly-owned joint ventures, with total assets and net assets amounting to approximately RMB42,532 million and approximately RMB23,520 million, respectively. The Company is one of the largest listed companies in the highway industry of China in terms of asset size.

#### IV. SUMMARY OF MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

*Unit: RMB*

	<b>At the end of 2017</b>	At the end of 2016	Increase/decrease at the end of the Reporting Period as compared with the end of the corresponding period of the previous year (%)	At the end of 2015
Total assets	<b>42,532,491,238</b>	36,282,573,529	17.23	36,476,039,663
Operating revenue	<b>9,455,680,365</b>	9,201,297,066	2.76	8,761,321,186
Net profit attributable to shareholders of the Company	<b>3,587,861,857</b>	3,346,063,867	7.23	2,506,629,408
Net profit attributable to shareholders of the Company after non-recurring profit/loss	<b>3,565,591,487</b>	3,316,405,373	7.51	2,692,979,266
Net assets attributable to shareholders of the Company	<b>23,520,283,963</b>	22,209,756,185	5.90	20,476,159,276
Net cash flow from operating activities	<b>5,232,104,978</b>	5,463,748,504	-4.24	4,475,893,125
Total share capital at the end of the Reporting Period	<b>5,037,747,500</b>	5,037,747,500	–	5,037,747,500
Basic earnings per share (RMB/share)	<b>0.7122</b>	0.6642	7.23	0.4976
Diluted earnings per share (RMB/share)	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable
Weighted average return on net assets (%)	<b>16.06</b>	16.06	0	12.45

## V. MAJOR FINANCIAL DATA FOR 2017 BY QUARTERS

*Unit: Yuan Currency: RMB*

	Q1 (January- March)	Q2 (April-June)	Q3 (July- September)	Q4 (October- December)
Operating revenue	2,295,677,347	2,373,357,718	2,321,286,397	2,465,358,903
Net profit attributable to shareholders of the Company	878,672,948	1,020,987,237	996,338,534	691,863,138
Net profit attributable to shareholders of the Company after non-recurring profit/loss	874,192,406	1,017,948,960	991,692,822	681,757,299
Net cash flow from operating activities	1,273,304,540	1,300,042,195	1,373,649,270	1,285,108,973

## VI. SHARE CAPITAL AND SHAREHOLDERS

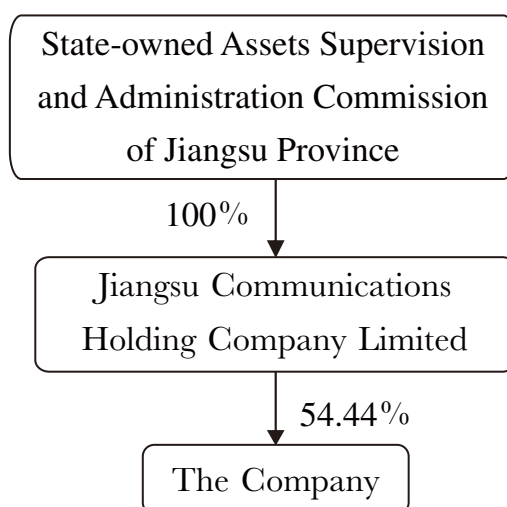
### 6.1 Shareholders of ordinary shares and shareholding of the top ten shareholders

Total number of shareholders at the end of the Reporting Period (the number of H shareholders: 429 (Inclusive))	23,091
Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report (the number of H shareholders: 426 (Inclusive))	23,695

### Shareholding of the top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares held subject to selling restrictions	Number of shares pledged or frozen
Jiangsu Communications Holding Company Limited	State-owned legal person	54.44	2,742,578,825	0	Nil
China Merchants Expressway Network & Technology Holdings Co., Ltd.	State-owned legal person	11.69	589,059,077	0	Nil
Commonwealth Bank of Australia	Foreign legal person	2.69	135,607,300	0	Unknown
BlackRock, Inc.	Foreign legal person	2.42	121,857,932	0	Unknown
JPMorgan Chase & Co.	Foreign legal person	1.65	82,901,847	0	Unknown
Guotai Junan Securities Company Limited	Other	1.11	55,982,255	0	Unknown
Jiantou Zhongxin Asset Management Co., Ltd.	Other	0.42	21,410,000	0	Unknown
China Life Insurance Company Limited (Taiwan) – Self-owned Funds	Foreign legal person	0.41	20,680,954	0	Unknown
The National Social Security Fund 116 Composition	Other	0.19	9,773,895	0	Unknown
Cathay Life Insurance Co., Ltd. – Self-owned Funds	Other	0.189	9,553,937	0	Unknown
Explanation on related party/connected relationships between the above shareholders or shareholders acting in concert	The Company is not aware of whether or not there is any related/connected party relationship between the top ten holders of A Shares in circulation and the top ten shareholders.				

## 6.2 Flowchart of the relationship between the Company and the de facto controller



## VII. MANAGEMENT DISCUSSION AND ANALYSIS

### 7.1 Business Review

In 2017, the Group managed to further amplify the function of capital, broaden investment and financing channels and optimize business structure through equity investment, while maintaining steady growth in its principal business by vigorously promoting the investment and construction of its new road and bridge projects. Furthermore, by exploring new means and methods in the transformation of operation mode and enhancement of operating efficiency, the Group made substantive breakthroughs in its service area reform and achieved consistent and sound operation and development. **Firstly, investment and construction of new projects proceeded orderly.** During the Reporting Period, the Company capitalized on the development opportunity to continue the integration of quality road and bridge projects in the expressway network in southern Jiangsu by promoting the investment and construction of Wufengshan Toll Bridge and North-South Approach Expressway projects, Zhendan Expressway project and Changyi Expressway project in an orderly manner. In addition, Guangjing Xicheng Company, a subsidiary of the Company, invested in the new construction project of Yichang Expressway, further expanding the Group's quality expressway channel resources in the region. **Secondly, breakthroughs were made in the transformation of operation mode.** In the Reporting Period, the Company actively carried out the reform plan for the operation of service areas by introducing private enterprises to operate state-owned resources through the models of "outsourcing + supervision" and "platform + development", thereby realizing the exchange of resources for benefits and improving the economic efficiency and service quality in the six service areas of the Shanghai-Nanjing Expressway. **Thirdly, greater exploration**

**was made in the investment in ancillary businesses.** In the Reporting Period, Ninghu Investment, a subsidiary of the Company, invested RMB700 million to further subscribe for the investment units of CDB Kai Yuan Phase II Fund, which broadened its investment horizon, improved its investment capability and expanded the room for future business transformation and development of the Company through exchanging ideas and cooperating with the well-known domestic investment institutions. **Fourthly, the benefits of financing gradually revealed.** In 2017, in response to the huge funding needs of its new project and a tight money market, the Company timely adjusted its financing strategy and strived to replace direct financing with lower-cost indirect financing, thereby effectively filling the funding gap, controlling the capital cost and increasing profitability.

During the Reporting Period, the Group achieved a total operating revenue of approximately RMB9,455,680,000, representing an increase of approximately 2.76% year-on-year, of which the realization of toll revenue was approximately RMB7,104,364,000, representing an increase of approximately 6.79% year-on-year; revenue from ancillary services was approximately RMB1,780,145,000, representing an increase of approximately 5.49% year-on-year; revenue from property sales was approximately RMB509,752,000, representing a decrease of approximately 37.13% year-on-year; and revenue from advertising and other businesses was approximately RMB61,419,000, representing an increase of approximately 21.53% year-on-year. According to the PRC Accounting Standards, the Group realized an operating profit of approximately RMB4,724,367,000 during the Reporting Period, representing an increase of approximately 7.38% as compared to the same period in 2016. Net profit attributable to the shareholders of the Company was approximately RMB3,587,862,000 and earnings per share was approximately RMB0.7122, representing an increase of approximately 7.23% as compared to the same period in 2016. The business results of the Group reached a historic high.

Progress of various businesses is set out below:

## **1. Toll road and bridge operations**

### *(1) Analysis of business and operational environment*

During the Reporting Period, the Group recorded toll revenue of approximately RMB7,104,364,000, representing an increase of approximately 6.79% year-on-year and accounting for approximately 75.13% of the total operating revenue of the Group.



During the Reporting Period, Shanghai-Nanjing Expressway recorded an average daily traffic volume of 90,603 vehicles, representing a year-on-year increase of approximately 8.34%, and an average daily toll revenue of approximately RMB13,162,670, representing a year-on-year increase of approximately 5.35%. Considering the movement trend of the traffic volume of passenger vehicles and trucks throughout the year, traffic volume of passenger vehicles maintained at a stable growth at an average rate of approximately 8.55% throughout the year, representing approximately 78.20% of the total traffic volume. Whereas, traffic volume of trucks increased by approximately 7.60%, representing approximately 21.80% of the total traffic volume. Starting from August 2016, Ministry of Transport, Ministry of Industry and Information Technology, Ministry of Public Security, State Administration for Industry and Commerce and General Administration of Quality Supervision, Inspection and Quarantine jointly carried out a special regulatory action for unlawfully modified and overloaded trucks. As a result, there was a significant increase in the truck volume for the year 2017.

The performance of Ningchang Expressway in terms of traffic volume continued to be outstanding in the Reporting Period where average daily traffic volume increased by approximately 18.13% year-on-year. Among which, the average daily traffic volume of passenger vehicles increased by approximately 16.82% year-on-year, while the average daily traffic volume of trucks increased by approximately 22.04% year-on-year. The average daily toll revenue increased by approximately 17.39% year-on-year, achieving a higher degree of increase in respect of both traffic volume and toll revenue when comparing with those of other expressways within the expressway network. In 2017, the diversion impact of Ningchang Expressway on the western section of Shanghai-Nanjing Expressway gradually weakened. In Shanghai-Nanjing West Corridor comprising the western section of Shanghai-Nanjing Expressway and Ningchang Expressway, the average daily traffic volume increased by approximately 12.69% year-on-year during the Reporting Period. Among which, the average daily traffic volume of passenger vehicles increased by approximately 12.37%, while the average daily traffic volume of trucks increased by approximately 13.91%. The total traffic volume of both passenger vehicles and trucks on the two major passages between Shanghai and Nanjing showed a positive growth momentum. The expressway asset integration within the region progressively brought along scale benefits to the principal businesses of the Group.

The traffic volume of other road and bridge projects including Xicheng Expressway, Jiangyin Bridge and Yanjiang Expressway continued to maintain a relatively good growth momentum. Except that the toll revenue from the Suzhou downtown section of Sujiahang Expressway decreased due to restrictions on truck traffic and the toll revenue from Guangjing Expressway decreased due to declined truck traffic volume as a result of the expansion of Jiangguang expressway, the remaining road and bridge projects had grown in various degrees in terms of their respective traffic volume and toll revenue. During the Reporting Period, their overall movements in traffic volumes of passenger vehicles and trucks were basically consistent with that of Shanghai-Nanjing Expressway. During the Reporting Period, Nanjing-Lianyungang Highway registered unusual movements in its short-term traffic volume as the adjoining highway underwent major overhaul and restricted the passage of trucks. Changjia Expressway, which was newly opened on 1 January 2017, is still at the initial operation stage and has recorded a satisfactory growth rate in the chain relative ratio of traffic volume.

(2) *Progress of businesses*

Accelerating the construction of new projects

In 2017, the Company actively advanced the construction of the new projects namely Wufengshan Toll Bridge and North-South Approach Expressways. At present, the preliminary design and construction drawing design of Wufengshan Toll Bridge and North-South Approach Expressways have been approved, approximately 30% of the relevant housing demolition works have been completed, and the construction of the pile foundations and bearing platform of the main bridge of Wufengshan Toll Bridge has been completed. As at the end of the Reporting Period, Wufengshan Toll Bridge Company had invested RMB4.408 billion in the projects, representing approximately 36.53% of the total project investment.

Zhendan Expressway project, 70% of the interests in which were held by the Company, officially commenced construction in October 2015 and has so far incurred capital expenditure of RMB1,276 million. The project is currently under construction and is expected to be completed and open to traffic in 2018.

As for Changyi Expressway Phase I Project, 60% of the interests in which were held by Guangjing Xicheng Company, preliminary works are being done and land acquisition, demolition and relocation have commenced. As at the end of the Reporting Period, an investment of RMB1,485 million had been completed in this project, representing approximately 39.08% of the total amount of project investment.

During the Reporting Period, as approved by the thirteenth meeting of the eighth session of the board of directors of the Company, in order to further secure prime expressway channel resources in the region, Guangjing Xicheng Company, a subsidiary of the Company, contributed up to RMB1,000 million for construction of the new project of Yichang Expressway in exchange for 60% equity interest in the project. As at the end of the Reporting Period, an investment of RMB1,082 million had been completed in this project, representing approximately 27.20% of the total amount of project investment.

Following up the progress of the compensation arrangements for G312 Shanghai-Nanjing Section

As required by the Jiangsu Provincial Government, the toll road concession rights of G312 Shanghai-Nanjing Section were early terminated at the midnight on 16 September 2015. As approved and confirmed by the State-owned Assets Supervision and Administration Commission of Jiangsu Province, an economic compensation in the amount of RMB1,316,049,634 would be paid by Communications Holding from its retained earnings to the Company. On 24 and 25 December 2015, the Company received from Communications Holding the first installments of the compensation in the sum of RMB326,419,854 and RMB200,000,000 respectively. On 6 September 2016, the Company received from Communications Holding the second installment of the compensation in the amount of RMB394,814,890. On 25 July 2017, the Company received from Communications Holding the third installment of the compensation in the amount of RMB394,814,890. As at the end of the Reporting Period, the compensation had been fully settled.

## Coordinating for the removal of Panjiahuayuan toll stations located at Nanjing-Lianyungang Highway

With the speedy urbanization progress in the areas along the Nanjing-Lianyungang Highway in recent years, the area where Panjiahuayuan toll station located has become part of the sub-central business district of Nanjing downtown. For the purpose of facilitating the development of Jiangbei New District, Nanjing Municipal Government made an application to Jiangsu Provincial Government for removing Panjiahuayuan toll station in May 2017. In November 2017, Jiangsu Provincial Government issued to Nanjing Municipal Government the Approval on Removal of Panjiahuayuan Toll Station Located at Nanjing-Lianyungang Highway (Su Zheng Fu [2017] No. 99) (關於同意撤銷寧連公路潘家花園收費站的批覆(蘇政覆[2017]99號)), giving approval for the removal of Panjiahuayuan toll station and requesting Nanjing Municipal Government to properly handle debts settlement and personnel placement following the removal to ensure social stability. The document, however, did not specify the time and date for terminating toll collection. Currently, the Company is actively communicating with the relevant highway administration agency in respect of the follow-up issues and will make announcements pursuant to the Listing Rules if there is any further information.

## **2. *Operation of ancillary services***

Based on the development strategy of enhancing service quality and economic efficiency at the service areas, the Company comprehensively developed a reform plan for transforming the operation models at the service areas in November 2016, pursuant to which the “outsourcing + supervision” model would be adopted for the three service areas at Meicun, Xianrenshan and Huanglishu, and the “Platform Expansion” program would be adopted for the three service areas at Yangchenghu, Douzuang and Fangmaoshan. This reform plan aims at leveraging on quality private capital to exploit state-owned resources and creating synergies from the combination of the regional advantages of highways and the business model of private enterprises, thereby achieving harmonious and win-win outcomes. In January 2017, the transformation of operation models was first completed at Meicun service areas, and the rent of the lease for a term of 6 years was in a total of RMB280 million. In November 2017, the investor invested approximately RMB100 million in total in upgrading and modification of a total area of 20,000 square meters, creating brand new tourist complexes featuring diversified operations, seamless layout, complete facilities and functions. In July 2017, the transformation work of operation models at both Huanglishu and Xianrenshan service areas were completed at

the same time. The total rent of the lease of Huanglishu service areas for a term of 6 years was RMB130 million and the total rent of the lease of Xianrenshan service areas for a term of 6 years was RMB140 million. In January 2018, Xianrenshan service areas, upon completion of upgrading and modification, were put into operation officially.

During the Reporting Period, the Company realized revenue of approximately RMB1,780,145,000 from ancillary services, representing a year-on-year increase of approximately 5.49%. In particular, the realization of sales revenue of petroleum products was approximately RMB1,521,453,000, representing approximately 85.47% of the total revenue from ancillary services, and representing a year-on-year increase of approximately 7.06%. The sales volume of petroleum products decreased by approximately 2.87% year-on-year, In particular, the sales volume of gasoline rose by approximately 4.71% year-on-year, while the sales volume of diesel fell by approximately 17.91% year-on-year, mainly due to the upgrade of diesel grades at gas stations along the Shanghai-Nanjing Expressway. However, the Company managed to secure profit margins through actively carrying out business negotiations with petroleum suppliers, bringing a year-on-year increase of approximately 3.16 percentage points in the gross profit margin of petroleum products business and an increase of over RMB50 million in net profit in 2017. Revenue from other businesses including food and beverages, retail of goods and hindrance clearance services was approximately RMB258,692,000, representing a year-on-year decrease of approximately 2.87%.

### ***3. Property development and sales business***

In 2017, a number of property policy adjustments were issued in the PRC to further regulate housing prices as well as more stringent measures were issued to impose restrictions on housing purchases, loans, prices and sales, resulting in faster differentiation of the property markets in different regions of the Jiangsu Province. Facing such complicated market environment and policy adjustments, the Company adhered to the marketing guideline of maintaining steady operation throughout the year with a primary focus on improving operating results, closely followed changes in the market and timely adjusted its marketing strategy to promote the development and sales of its property business, thereby securing smooth progress in the development, sales and delivery of each property project during the Reporting Period.

During the year, the revenue realized from the pre-sale and carryover sales revenue was RMB404,188,000 and RMB491,162,000, respectively. As at the end of the Reporting Period, the revenue from the pre-sale and carryover sales revenue amounted to RMB3,164,791,000 and RMB2,323,303,000, respectively. During the Reporting Period, the net profit after tax realized by Ninghu Properties amounted to approximately RMB108,785,000, representing a year-on-year increase of approximately 48.91%. As such, the real estate business continued to contribute to the Group's business growth.

#### **4. *Advertising and other businesses***

Other businesses of the Company mainly comprise advertising operations of Ninghu Investment, a subsidiary of the Company, and property services provided by Ninghu Properties, a subsidiary of the Company. In 2017, the revenue realized from advertising and other businesses of the Group was approximately RMB61,419,000, representing a year-on-year increase of approximately 21.53%. In particular, the business income obtained from advertising operations of the Group was approximately RMB48,521,000, representing a year-on-year increase of approximately 16.70%. The total revenue realized from other property services and the lease of commercial properties for the year was approximately RM12,898,000, representing a year-on-year increase of approximately 43.92%.

## 7.2 Financial analysis

### 1. Analysis of principal businesses

Table of analysis of changes in relevant items in income statement and cash flow statement:

*Unit: RMB*

Item	Reporting Period	Corresponding period of last year	Changes (%)
Operating revenue	<b>9,455,680,365</b>	9,201,297,066	2.76
Operating costs	<b>4,334,469,882</b>	4,363,720,292	-0.67
Selling expenses	<b>11,891,705</b>	26,762,163	-55.57
Administrative expenses	<b>187,898,191</b>	182,065,269	3.20
Financial expenses	<b>480,441,961</b>	502,388,296	-4.37
Business taxes and surtaxes	<b>87,587,512</b>	193,471,915	-54.73
Non-operating income	<b>14,176,399</b>	44,626,929	-68.23
Non-operating expenses	<b>24,721,090</b>	26,861,204	-7.97
Investment income	<b>586,872,528</b>	472,966,663	24.08
Net cash flow from operating activities	<b>5,232,104,978</b>	5,463,748,504	-4.24
Net cash flow from investment activities	<b>-7,582,966,202</b>	-225,759,481	-3,258.87
Net cash flow from financing activities	<b>2,419,346,946</b>	-5,264,831,123	145.95

(1) *Principal businesses classified by industries and regions*

The Group had an aggregate operating revenue of approximately RMB9,455,680,000 during the Reporting Period, representing an increase of approximately 2.76% as compared to the same period in 2016. Total operating costs were approximately RMB4,334,470,000, representing a year-on-year decrease of approximately 0.67% as compared to the same period in 2016. The consolidated gross profit margin of the Group increased by 1.59 percentage points year-on-year.

*Unit: RMB*

By industries	Principal operating activities classified by industries					
	Operating revenue	Operating costs	Gross profit Margin (%)	Change in operating revenue over the corresponding period of last year (%)	Change in operating costs over the corresponding period of last year (%)	Change in gross profit margin over the corresponding period of last year (%)
Toll road business	7,104,363,726	2,301,862,413	67.60	6.79	8.20	Decreased by 0.42 percentage point
Shanghai-Nanjing Expressway	4,804,374,867	1,295,089,018	73.04	5.07	6.01	Decreased by 0.24 percentage point
Nanjing-Lianyungang Highway	33,204,966	28,056,334	15.51	33.03	69.33	Decreased by 18.11 percentage points
Guangjing Expressway and Xicheng Expressway	867,533,895	256,375,340	70.45	3.43	3.34	Increased by 0.03 percentage point
Ningchang Expressway and Zhenli Expressway	1,064,293,775	537,329,066	49.51	16.99	14.60	Increased by 1.05 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	334,956,223	185,012,655	44.77	9.35	7.45	Increased by 0.98 percentage point
Ancillary services business	1,780,145,565	1,728,961,843	2.88	5.49	3.27	Increased by 2.09 percentage points
Property sales business	509,752,364	280,007,835	45.07	-37.13	-48.13	Increased by 11.64 percentage points
Advertising and other businesses	61,418,710	23,637,791	61.51	21.53	6.08	Increased by 5.60 percentage points
<b>Total</b>	<b>9,455,680,365</b>	<b>4,334,469,882</b>	<b>54.16</b>	<b>2.76</b>	<b>-0.67</b>	<b>Increased by 1.59 percentage points</b>



By regions	Principal operating activities classified by regions					
	Operating revenue	Operating cost	Gross profit Margin (%)	Change in operating revenue over the corresponding period of last year (%)	Change in operating costs over the corresponding period of last year (%)	Change in gross profit margin over the corresponding period of last year (%)
Jiangsu Province	9,455,680,365	4,334,469,882	54.16	2.76	-0.67	Increased by 1.59 percentage points

## (2) Analysis of revenue and cost

### Components of costs:

By industries	Components of costs	By industries					Explanation of the situation
		Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)	Changes in percentage of the amount for the Reporting Period compared with that of the same period last year (%)	
Toll road business		2,301,862,413	53.10	2,127,454,925	48.75	8.20	
	Depreciation and amortization	1,281,795,107	29.57	1,187,205,847	27.21	7.97	Mainly due to a year-on-year increase in amortization of toll road concession rights in the Reporting Period as a result of the increased traffic volume.
	Costs on maintenance	205,626,217	4.74	175,981,205	4.03	16.85	Mainly due to a year-on-year increase in the costs of road maintenance as a result of a comprehensive renovation of the facilities and greening along the expressways during the Reporting Period.

		By industries					
						Changes in	
						percentage of	
						the amount for	
						the Reporting	
						Period	
						compared	
						with that of	
						the same	
						period last	
						year	
						(%)	
By industries	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)	Changes in percentage of the amount for the Reporting Period compared with that of the same period last year (%)	Explanation of the situation
	Costs on system maintenance	42,607,191	0.98	44,915,576	1.03	-5.14	
	Costs on toll collection	134,580,213	3.11	136,199,881	3.12	-1.19	
	Labour costs	637,253,685	14.70	583,152,416	13.36	9.28	Mainly due to the rigid increase in labour costs.
Ancillary service businesses		1,728,961,843	39.89	1,674,183,118	38.37	3.27	
	Raw materials	1,433,125,919	33.06	1,419,872,764	32.54	0.93	
	Depreciation and amortization	48,239,865	1.11	24,663,217	0.57	95.59	Mainly due to adjustments to accounting treatments.
	Labour costs	185,924,504	4.29	180,082,158	4.13	3.24	Mainly due to the rigid increase in labour costs.
	Other costs	61,671,555	1.43	49,564,979	1.13	24.43	
Property sales businesses		280,007,835	6.46	539,800,281	12.37	-48.13	Costs carried forward from property sales business recorded a year-on-year decrease due to the year-on-year decrease in delivery of property projects completed during the Reporting Period by Ninghu Properties, a subsidiary of the Company.

By industries							Changes in percentage of the amount for the Reporting Period compared with that of the same period last year (%)	Explanation of the situation
By industries	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)	Changes in percentage of the amount for the Reporting Period compared with that of the same period last year (%)		
Advertising and other business		23,637,791	0.55	22,281,968	0.51	6.08	A year-on-year increase in the properties expenses, resulting from the increased property management scale of delivered property projects of the subsidiaries during the Reporting Period.	
Total		<u>4,334,469,882</u>	<u>100</u>	<u>4,363,720,292</u>	<u>100</u>	<u>-0.67</u>		

### (3) Expenses

#### Administrative expenses

During the Reporting Period, administrative expenses incurred by the Group were RMB187,898,000 in aggregate, representing an increase by approximately 3.20% over the same period last year, which was mainly due to the rigid increase in labour costs. The budgetary control of administrative expenses of the Company was in good condition in 2017 through the strengthening of budget management and strict expenses control. The year-on-year increase in administrative expenses during the Reporting Period was mainly due to the rigid increase in labour costs and the increase in amortization fee of software resulting from the enhancement of the level of informatization of management.

## **Financial expenses**

Due to the tightening regulation on financial risk prevention, interest rates on capital kept rising in 2017. The consolidated loan interest rate of the Group's interest-bearing debts was approximately 4.41% in 2017, representing a year-on-year increase of approximately 0.35 percentage point. The transfer of Ningchang Zhenli's debts to the Company resulted in a higher interest-bearing debt base figure in 2016, and such debts carried forward had been settled gradually early 2017, thus the Company recorded a year-on-year decrease in its average interest-bearing debts during the Reporting Period. The financial expenses of the Group for the Reporting Period were approximately RMB480,442,000, representing a year-on-year decrease of 4.37%.

## **Selling expenses**

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB11,892,000, representing a year-on-year decrease of approximately 55.57%, which was mainly due to a significant year-on-year decrease in the commission fees for property sales agents for the pre-sold projects as a result of the decrease in the presold properties of Ninghu Properties, a subsidiary of the Company during the Reporting Period as compared to that of the same period last year.

## **Income tax**

The statutory income tax rate of all companies of the Group was approximately 25%. During the Reporting Period, the income tax expense of the Group was approximately RMB1,029,003,000 in aggregate, representing a year-on-year increase of approximately 4.99%.

### *(4) Cash flow*

The revenue from the principal business of toll roads of the Group is received in cash, contributing to a stable operating cash inflow. During the Reporting Period, the amount of net cash flow incurred by the Group's operating activities was approximately RMB5,232,105,000, representing a year-on-year decrease of approximately 4.24%, mainly due to a year-on-year decrease

in net cash flow generated from operating activities resulting from the decrease in property presale income in the Reporting Period; the amount of net cash outflow generated from investment activities was approximately RMB7,582,966,000, representing a year-on-year increase of approximately 3,258.87%, which was mainly due to a year-on-year significant decrease in net cash outflow for investment activities resulting from the payment for the construction project of Wufengshan Toll Bridge, Changyi Expressway and Yichang Expressway during the Reporting Period; the amount of net cash inflow generated from financing activities was approximately RMB2,419,347,000, representing a significant increase as compared with the net cash outflow of approximately RMB5,264,831,000 over the same period last year, mainly due to a year-on-year decrease in the net cash outflow for the repayment of interest-bearing liabilities during the Reporting Period and a year-on-year increase in the contribution received by subsidiaries.

(5) *Impairment losses of assets*

In November 2017, the Jiangsu Provincial Government issued to Nanjing Municipal Government the Approval for Removal of Panjiahuayuan Toll Station on Nanjing-Lianyungang Highway (Su Zheng Fu [2017] No. 99) (關於同意撤銷寧連公路潘家花園收費站的批覆(蘇政覆[2017]99號)), giving approval for the removal of Panjiahuayuan toll station. Though the document did not specify the exact date and time for terminating toll collection, it is provided in PRC Accounting Standards for Business Enterprises No. 8 – Article 5 Impairment of Losses of Assets: There may be an impairment of assets if one of the following signs exists: (II) the economic, technological or legal environment in which the enterprise operates, or the market where the assets is situated will have any significant change in the current period or in the near future, which will cause adverse impact on the enterprise; (V) the assets have been or will be left unused, or terminated for use, or disposed ahead of schedule. Pursuant to the above requirements under the Accounting Standards for Business Enterprises No. 8, the removal of the toll station on Ninglian Expressway indicated potential impairment of assets. Accordingly, the Company has made provision for impairment of intangible assets for the operation rights of Nanjing-Lianyungang Highway, and impairment losses of assets of approximately RMB217,738,000 were incurred.

(6) *Non-operating income and expenses*

During the Reporting Period, the Group achieved a non-operating income of approximately RMB14,176,000, representing a year-on-year decrease of approximately 68.23%, which was mainly due to the subsidy of approximately RMB12,930,000 for energy conservation and emission reduction, and compensation of RMB18,820,000 for the land use right of the soil extraction pit received by the Company in the corresponding period last year, resulting in a relatively large base of non-operating income last year.

During the Reporting Period, the Group incurred a non-operating expense of approximately RMB24,721,000, representing a year-on-year decrease of approximately 7.97%, which was mainly due to a year-on-year decrease in repair expenses of road assets.

(7) *Investment income*

During the Reporting Period, the Group's investment income was approximately RMB586,873,000, representing a year-on-year increase of approximately 24.08%. Benefited from the increase in profits of Yangtze Bridge Company, Sujiahang Company, investment income contributed by associated companies and joint ventures in which the Group held direct equity interest during the Reporting Period amounted to approximately RMB494,405,000, representing a year-on-year increase of approximately 12.87% as compared with the same period last year. In addition, investment income from available-for-sale financial assets was approximately RMB54,320,000, representing a year-on-year increase of approximately 444.83%, which was due to a significant increase in the dividends from Bank of Jiangsu and Jiangsu Leasing Company as compared with that of the same period last year.

## 2. Assets and Liabilities

As of 31 December 2017, items of assets and liabilities of the Group are as follows:

*Unit: Yuan*

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Monetary fund	269,357,751	0.63	265,422,162	0.73	1.48	
Bills receivables	2,880,000	0.01	6,116,460	0.02	-52.91	Mainly due to decrease in the bank acceptance notes held by Ninghu Investment, a subsidiary of the Company, as compared to those at the beginning of the year.
Accounts receivables	306,367,630	0.72	148,153,297	0.41	106.79	Mainly due to the increase in the allocation of road tolls receivable during the Reporting Period.
Prepayments	10,200,712	0.02	16,851,683	0.05	-39.47	Mainly due to the decrease in prepayments for the purchase of petroleum products during the Reporting Period as compared to those at the beginning of the year.
Interest receivables	80,231,500	0.19	45,694,000	0.13	75.58	Mainly due to the increase in loan interest due from Hanwei Company, a joint venture, during the Reporting Period.
Other receivables	21,035,223	0.05	422,083,818	1.16	-95.02	Mainly due to the receipt of the third instalment of compensation received for the early termination of toll road concession rights of G312 Shanghai-Nanjing Section during Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Non-current assets due within one year	300,000,000	0.71	-	-	-	Mainly due to a sum of RMB300 million out of the shareholders' loans granted by the Company to a joint venture Hanwei Company which will become due on 26 March 2018, in respect of which adjustment was made during the Reporting Period from other non-current assets to non-current assets due within one year.
Other current assets	557,742,656	1.31	326,161,615	0.90	71	Mainly due to an increase in the financial products held by the Group at the end of the Reporting Period as compared to those at the beginning of the year.
Inventories	3,010,805,685	7.08	3,142,326,304	8.66	-4.19	
Available-for-sale financial assets	2,329,877,191	5.48	2,086,127,987	5.75	11.68	Mainly due to the increase in the equity investments in the Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II and the Nanjing Luode Dening Real Estate Investment Partnership (南京洛德德寧房地產投資合夥企業) by Ninghu Investment, a subsidiary of the Company, during the Reporting Period as compared to those at the beginning of the year.
Investment properties	20,019,608	0.05	32,113,394	0.09	-37.66	Mainly due to the transfer of investment properties held by Ninghu Investment, a subsidiary, during the Reporting Period.
Long-term equity investment	5,123,326,114	12.05	4,771,195,958	13.15	7.38	



Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Construction in progress	8,294,639,339	19.50	1,197,809,229	3.30	592.48	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	258,020,384	0.61	345,345,094	0.95	-25.29	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.
Other non-current assets	200,216,678	0.47	376,477,785	1.04	-46.82	Mainly due to a sum of RMB300 million out of the shareholders' loans granted by the Company to Hanwei Company, in respect of which adjustment was made during the Reporting Period from other non-current assets to non-current assets due within one year, and an addition of entrusted loans in a sum of RMB120 million granted by the Company to Hanwei Company during the Reporting Period.
Short-term borrowings	3,599,000,000	8.46	810,000,000	2.23	344.32	Mainly due to increase in short-term borrowings for the satisfaction of needs for capital turnover during the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Receipts in advance	840,007,370	1.97	940,873,359	2.59	-10.72	Mainly due to the decrease in the pre-sale payments for property projects received by Ninghu Properties, a subsidiary as compared to that at the beginning of the year
Non-current liabilities due within one year	623,841,375	1.47	121,718,718	0.34	412.53	Mainly due to the medium-term notes of RMB500 million which were issued by the Company on 21 June 2013 and will become due on 21 June 2018, in respect of which adjustment was made during the Reporting Period from bonds payable to non-current liabilities due within one year.
Other current liabilities	2,243,200,002	5.27	3,936,452,668	10.85	-43.01	Mainly due to the repayment of ultra-short-term notes upon maturity during the Reporting Period.
Long-term borrowings	3,874,089,201	9.11	1,471,905,901	4.06	163.20	Mainly due to the increase in loans for the construction of toll road and bridge projects under construction during the Reporting Period.
Bonds payable	3,970,157,835	9.33	4,457,801,187	12.29	-10.94	

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Expected liabilities	8,010,000	0.02	-	-	-	Mainly due to the maintenance fees of Nanjing-Lianyungang Highway estimated by the Company during the Reporting Period pursuant to the preliminary plan for road management and maintenance in relation to the removal of toll stations on Nanjing-Lianyungang Highway as released by Nanjing Municipal Government and Jiangsu Provincial Government.
Deferred income tax liabilities	28,056,831	0.07	138,362,514	0.38	-79.72	Mainly due to the corresponding adjustment to other comprehensive income according to the fair value of the shares of Bank of Jiangsu held by the Company and the adjustment to the deferred income tax liabilities during the Reporting Period.
Other comprehensive income	380,908,923	0.90	542,389,052	1.49	-29.77	Mainly due to the adjustment to the corresponding other comprehensive income according to the fair value of the shares of Bank of Jiangsu held by the Company during the Reporting Period.
Equity interests attributable to shareholders of the parent company	23,520,283,963	55.30	22,209,756,185	61.21	5.90	

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous corresponding period	Percentage in the total assets as the end of the previous corresponding period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Minority interests	2,374,646,649	5.58	732,100,804	2.02	224.36	The increase was mainly due to the capital contributions by minority shareholders which were received by newly established subsidiaries such as Wufengshan Toll Bridge Company, Changyi Company and Yichang Company during the Reporting Period.
Total assets	42,532,491,238	100.00	36,282,573,529	100.00	17.23	
Total gearing ratio	39.12%	-	36.77%	-	2.35	
Net gearing ratio	64.25%	-	58.15%	-	6.10	

\* The calculation basis for total gearing ratio: liabilities divided by total assets;

The calculation basis for net gearing ratio: liabilities divided by the shareholder's equity interests.

(1) *Capital expenditure*

During the Reporting Period, the Group incurred the planned capital expenditure in a sum of approximately RMB7,839,417,000, representing an increase of approximately RMB6,952,855,000 or approximately 784.25% compared with that in 2016. The increase was mainly due to the investment in the new construction of Wufengshan Toll Bridge, Changyi Expressway and Yichang Expressway. During the Reporting Period, the capital expenditure projects carried out by the Group and their amounts are as follows:

<b>Capital expenditure classified by projects</b>	<b>RMB</b>
Investment in the construction of Zhendan Expressway	214,386,511
Investment in the construction of Wufengshan Toll Bridge	4,407,664,302
Investment in the construction of Changyi Expressway	1,484,729,260
Investment in the construction of Yichang Expressway	1,082,308,293
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	352,749,204
Equity investment in Nanjing Luode Dening Real Estate Investment Partnership Corporation (Limited Partnership)	75,000,000
Equity investment in Jiangsu Sundian	13,500,000
Connection and modification of Jingjiang Station of Guangjing Expressway	24,140,649
Alteration and addition of service areas and toll collection points	62,374,029
Construction project of Three Major Systems	19,610,524
Noise barriers construction project	8,067,827
Informatization construction project	4,045,337
Alteration project for overpass of Luqu Interchange-Mashan Expressway	9,624,657
Setting up of billboards	4,129,754
Other construction and facilities in progress	77,086,772
<b>Total</b>	<b>7,839,417,119</b>

*(2) Capital structure and solvency*

The Company attached great importance to maintaining a reasonable capital structure and continuously improved its profitability in order to maintain the Company's good credit rating and stable financial situation. At the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB16,637,561,000. The total gearing ratio of the Group was approximately 39.12% (Note: the calculation basis of the total gearing ratio: liabilities/total assets), which increased by approximately 2.35 percentage points as compared with that at the end of the previous reporting period. Based on the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management considered that the financial gearing ratio was at a safe level at the end of the Reporting Period.

*(3) Financial strategy and financing arrangement*

During the Reporting Period, the Company actively expanded its financing channels, adjusted its debt structure and reduced its financing cost. By means of the proactive financing strategy, the Company was able to meet the funding needs for its operation and management and project investment and controlled the financing cost effectively. The Group's borrowing requirements are not subject to seasonality. The amount of direct financing newly added for the Reporting Period was RMB6,200 million, all of which carrying fixed interest rates. As at the end of the Reporting Period, the balance of interest-bearing liabilities was approximately RMB14.298 billion, representing an increase of approximately RMB3,494 million as compared with that at the beginning of the year. During the Reporting Period, the consolidated borrowing cost on interest-bearing liabilities were approximately 4.41%, representing an increase of 0.35 percentage points as compared with that of last year and approximately 0.49 percentage points lower than the lending rate of bank loan over the same period. No financial instrument was used for hedging purpose. During the Reporting Period, the Company's major financing activities included the following products and the proceeds therefrom were used as working capital of the Company (for optimizing its financing structure and reducing the financing cost of the Company) and for providing loans to Guangjing Xicheng Company:

(4) *Credit policy*

In order to reduce credit risk, the Group has controlled credit limits, undertaken credit approvals and implemented other monitoring procedures to ensure that necessary measures are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of its receivables on each balance sheet date to ensure that adequate provisions are made for bad debts. Therefore, the management considers that the credit risk borne by the Group was relatively low.

(5) *Contingent matters*

According to the common practice in real estate operation, Ninghu Properties, a subsidiary of the Company, provided guarantees with joint and several liabilities for mortgage loans granted to the buyers of commodity housing properties. The guarantee obligation began from the effective date of the guarantee contract until the date when the registration formalities for real estate mortgage in respect of the residence purchased by a purchaser of a commodity housing property was completed and the Building Right Encumbrances Certificate was provided to bank for enforcement. As at 31 December 2017, the amount of outstanding guarantee was approximately RMB893,281,511 (31 December 2016: RMB779,906,911).

(6) *Foreign exchange risks*

The Group operates its businesses principally in the PRC. No material foreign exchange risks are involved as the Group's operating revenue and capital expenditure are all settled in Renminbi, except for dividend payments for H Shares, and the Group has no investment in foreign currency. The Group obtained a loan of USD9,800,000 from the Spanish Government in 1998 at the interest rate of 2% per annum and it will become due on 18 July 2027. As at 31 December 2017, the balance of the loan was equivalent to approximately RMB17,808,000, against which no foreign exchange hedging arrangements were made by the Group. Fluctuations in exchange rates will have no material impact on the Group's results.

(7) Reserves

Unit: RMB

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profit	Total equity interests attributable to the parent company
As at 1 January 2016	5,037,747,500	10,446,662,341	121,482,904	3,040,287,779	1,829,978,752	20,476,159,276
Profit for the year					3,346,063,867	3,346,063,867
Reduction of owners' capital		(18,274,106)				(18,274,106)
Total amount of comprehensive income			420,906,148			420,906,148
Profit distributed				112,885,381	(112,885,381)	0
Dividends distributed					(2,015,099,000)	(2,015,099,000)
As at 31 December 2016	5,037,747,500	10,428,388,235	542,389,052	3,153,173,160	3,048,058,238	22,209,756,185
As at 1 January 2017	<b>5,037,747,500</b>	<b>10,428,388,235</b>	<b>542,389,052</b>	<b>3,153,173,160</b>	<b>3,048,058,238</b>	<b>22,209,756,185</b>
Profit for the year					3,587,861,857	3,587,861,857
Reduction of owners' capital						-
Total comprehensive income			(161,480,129)			(161,480,129)
Profit distributed				120,319,139	(120,319,139)	0
Dividends distributed					(2,115,853,950)	(2,115,853,950)
As at 31 December 2017	<b>5,037,747,500</b>	<b>10,428,388,235</b>	<b>380,908,923</b>	<b>3,273,492,299</b>	<b>4,399,747,006</b>	<b>23,520,283,963</b>

Note: The ownership of the above capital items belong to those companies which are part of the Group.

The above statutory reserves may not be used for purposes other than their intended purposes and may not be used for distribution as cash dividends. As at 31 December 2017, reserves distributable to the shareholders were RMB4,399,747,006 (as at 31 December 2016, reserves distributable to the shareholders were RMB3,048,058,238).



*(8) Restricted intangible assets*

A subsidiary of the Company, Guangjing Xicheng Company has acquired and absorbed Xiyi Company and undertaken the original borrowings of Xiyi Expressway. Xiyi Expressway obtained loans amounting to RMB200,000,000 from the Bank of China Wuxi branch for the construction of Wuxi Huantaihu Expressway project. The loans were guaranteed by Communications Holding, the parent company, and secured by toll road concession rights of Xiyi Expressway and further secured by toll road concession rights of Wuxi Huantaihu Expressway in June 2008. At the end of the Reporting Period, RMB182,000,000 had been repaid accumulatively and the balance of the borrowing amounted to RMB18,000,000.

*(9) Events subsequent to the balance sheet date*

On 19 March 2018, the twenty-second meeting of the eighth session of the board of directors resolved that the Company would propose to acquire 30% equity interest in its joint venture Hanwei Company from Jiangsu Luode Equity Investment Fund Management Company Limited at a consideration of RMB184,499,800. Upon such acquisition, Hanwei Company will be a wholly-owned subsidiary of the Company. For details, please refer to the announcement posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 19 March 2018 and the announcement published respectively on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Company on 20 March 2018.

**3. Analysis of investment status**

*1. Overall analysis of external investment*

During the Reporting Period, the total amount of external equity investment of the Group was approximately RMB441,249,000, representing an increase of approximately 45.81% as compared with 2016. The specific items mainly included equity investment of RMB352,749,000 in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership), equity investment of RMB75,000,000 in Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership) and additional capital contribution of RMB13,500,000 to Jiangsu Sundian Engineering Co., Ltd.

(1) Material equity investments

**Investment in the construction of new toll roads and bridges**

The Company convened the thirteenth meeting of the eighth session of the board of directors on 3 March 2017 to consider and approve the capital contribution of not more than RMB1 billion made by Guangjing Xicheng Company, a subsidiary of the Company, for the investment in the new construction project of Yichang Expressway.

**Subscription for the units of private equity 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 for units of CDB Kai Yuan Phase II Fund by Ninghu Investment, a wholly-owned subsidiary of the Company, with additional capital contribution of up to RMB700 million. The subscription amount was payable by installments according to the status of subsequent investments in projects. The Company has so far subscribed for a total of RMB1,200 million units in CDB Kai Yuan Phase II Fund. As at the end of the Reporting Period, Ninghu Investment made a contribution of RMB508,059,000 for the subscription of the fund project.

In 2017, Luode Fund Company under Ninghu Investment completed the establishment and filing of the parent real estate fund. Currently, the parent real estate fund so far has raised approximately RMB460 million. The Company continued to broaden its horizon of investment and improve its investment capability to make contribution to the growth of the Group's revenue and profit.

(2) Material non-equity investments

During the Reporting Period, the Company's material non-equity investments was mainly in the active participation and investment in the construction of new road and bridge projects, which was in a total of RMB7,189,088,000, of which RMB4,407,664,000 was invested in the construction of Wufengshan Toll Bridge project, RMB214,387,000 was invested in the construction of Zhendan Expressway, RMB1,484,729,000 was invested in the construction of Changyi Expressway and RMB1,082,308,000 was invested in Yichang Expressway.

(3) Financial assets determined at fair value

Item name	Initial investment cost	Source of funds	Purchase/selling status	Investment Income	Changes in fair value
Fund investments	9,999,400	Internal resources	-		5,104,694
Wealth management products	491,380,000	Internal resources	-	7,007,798	0
Gold investments	15,710,238	Internal resources	-	-483,348	554,400

During the Reporting Period, Ninghu Investment, a subsidiary of the Company, continued to hold Fuanda Advantageous Growth Foundation Fund, which was the fund purchased by it in 2011, with a total of approximately 10,000,000 units of the fund at the beginning of the Reporting Period with a net value of approximately RMB17,350,000 and an investment cost of approximately RMB9,999,000. During the Reporting Period, their fair value increased by approximately RMB5,105,000 and the accumulated fair value increased by approximately RMB12,455,000. During the Reporting Period, Ninghu Investment continued to hold the gold investment namely the precious metal purchased by it in 2014, with net value of approximately RMB15,863,000 at the beginning of the Reporting Period and an investment cost of approximately RMB15,710,000. At the end of the Reporting Period, the net value was approximately RMB16,417,000. During the Reporting Period, the fair value increased by approximately RMB554,000 and the fair value increased by approximately RMB707,000 on a cumulative basis.

### 7.3 Development strategies of the Company

In 2017, the Group focused on the “five-sphere (五化)” construction and actively planned its development direction to adapt to the ever-changing market and industrial environment by making use of favorable opportunities during the 13th Five-Year Plan period. In particular, it promoted the standardization of corporate governance and solidified its capability for sustainable development by standardizing operation, improving the fundamental management, optimizing risk management system and strengthening the supervision and constraints. It promoted centralized planning of industrial layout to enhance corporate economic efficiency. In response to a complicated market environment, the Company explored investment and financing channels through amplifying the function of capital and giving full play to credit advantage. It strove to transform and upgrade its business model to the market-driven one to facilitate the optimization of industrial layout. It fully tapped the profit growth points of road-related industries, speeded up the reform of operation modes at service areas and further enhanced the profit margins of petroleum products, which in turn facilitated the improvement of effectiveness the Group. The Company promoted intelligence-based operation and management to achieve “three replacements” (i.e. replacement of human labour with intelligent technology, replacement of transmission with Internet and replacement of local storage with cloud-based storage) so as to continually strengthen information technology construction and elevate the comprehensive operation and management efficiency. In addition, the Company promoted professionalized road maintenance to cope with heavy routine traffic flow to ensure smooth traffic. Targeted efforts were made based on distribution characteristics of different road sections to ensure smooth traffic, and road maintenance was carried out in a scientific way, thereby enhancing road quality through modern and professional means.

In 2018, the Group will continue to implement the development strategy of “five-sphere (五化)” construction by pushing ahead with standardized governance, industrial layout, market-oriented transformation, intelligence-based management and professionalized road maintenance, and proactive response to changes in the market, so as to pursue a high-quality sustainable development from a broader perspective.

## 7.4 Operational Plan

### 1. *Operational goals for 2018*

Based on the anticipated trends of operations and macroeconomic environment in 2018, the Board expects that the Group's total revenue will exceed RMB10.1 billion in 2018, and aims to control the target operating costs and relevant expenses to be under RMB5.6 billion. Given the uncertain factors faced by the Group in its operations in 2018, the operating plan does not constitute an undertaking of results made by the Company to the investors. Investors are reminded to be sufficiently aware of the risk and they shall understand the difference between operating plans and the undertaking of results.

### 2. *Operational plans for 2018*

In order to ensure the achievement of profit targets throughout the year and to be well-planned and well-prepared for the strategic development in future, the Group has formulated the following major measures for 2018 based on the overall business trends in 2018:

- (1) **Maintain principal businesses and promote the integration of resources.** In 2018, the Company will not only push ahead with its new construction projects but also continue to focus on the investment and operation of the infrastructure of transportation, make use of the opportunities to promote the integration of assets in relation to the toll road and bridge projects in the expressway network in southern Jiangsu with a primary focus on the high quality development and enhancement of its principal businesses, thereby further consolidating its leading position. In addition, the Group will actively explore effective ways for capital investment and equity management by leveraging on its access to domestic and overseas listing platforms as well as market opportunities, thereby optimizing its investment portfolio and effectively improving the efficiency and effectiveness of capital operation.

- (2) **Accelerate reform and innovation and promote transformation of business models at service areas.** After the “outsourcing + supervision” business model was firstly implemented at Meicun service area, the reform program will be fully implemented at six service areas along Shanghai-Nanjing Expressway to promote the transformation and upgrading of business models. The aim is to improve the efficiency and comprehensively complete the upgrading and modification and to improve the economic efficiency and the service level through self-operation, platform expansion, brand collaboration, innovative business models and other means. Meanwhile, the Group will take advantage of the change in the market conditions of product oil to make greater efforts in competitive negotiation with oil suppliers to secure greater profit margins and explore the profit drivers of the businesses derived from expressway.
- (3) **Make full use of the existing platforms to explore the potential of multi-channel financing.** For the purposes of market-oriented financing, the Company will fully make use of its investment and financing platforms as a listed company and step up its efforts in broadening financing channels and seizing quality investment projects while taking into full account of the funding needs and the financial risks of the Company. Furthermore, the Company will try to use various types of innovative financing tools for direct financing and further exploit its comprehensive financing capacity in domestic and overseas capital markets so as to reduce the financing costs and adjust the debt structure, thereby providing low-cost financial protection for the Company’s strategic development and scale expansion.
- (4) **Leverage on the information-based means to comprehensively promote the construction of “smart expressways”.** By means of modern information technology including cloud computing, artificial intelligence and big data, the Company will promote the construction of “smart expressways” in a comprehensive manner, further enhance its capacities in data analysis and business support and push ahead with the construction of “expressways + Internet”, so as to achieve data sharing and resource integration and identify new value of data resources. In this way, the Company will be able to elevate its operation and management efficiency through step-by-step replacement of human labour with intelligent technology, replacement of transmission with Internet and replacement of local storage with cloud-based storage.

- (5) **Optimize the system for ensuring smooth traffic and improve the standardized management of road operation services.** The Company will set up a scientific graded road rescue system by adopting section-based graded management and equipping with rescue forces to achieve the best allocation of resources. Furthermore, the Company will devise a sophisticated indicator evaluation system and a comprehensive road emergency and protection system to ensure that effective counter-measures will be adopted to cope with any road emergency. In addition to optimizing the image of service counter to improve users' travel experience, the Company will strengthen research on operation and management strategy, road network control strategy, accident prevention and control strategy adopted when the traffic volume is saturated, and gradually develop a road operation and management mechanism that is relatively scientific, efficient and duplicable, so as to prepare for the realization of management output.

### ***3. Funding needs and financing plan in 2018***

The Company expects that the total capital expenditure in 2018 will be approximately RMB7,036 million. On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the financing conditions of the capital market so as to satisfy its own funding needs for operation and investment, while further optimizing its debt structure and reducing capital risks. At present, the Company is actively exploring various types of financing channels such as corporate bonds and overseas bonds. Selecting the right financing products for the Company will not only provide the Company with sufficient and efficient funds for its present stage of development, but also make prior arrangement for its future development strategies. For the year of 2017, the Group signed credit facilities contracts with banks but has not yet utilized the facilities. The credit facilities with a term of over one year were approximately RMB18,135 million. The ultra-short-term financing products with the registration term being more than one year which have been registered at National Association of Financial Market Institutional Investors but have not been issued were approximately RMB4,000 million. The credit line will be sufficient for the capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required for special occasions, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

## VIII. MATTERS CONCERNING THE FINANCIAL STATEMENTS

- 8.1 Compared with the financial statements for the previous year, there were changes in the accounting policies of the Company during the Reporting Period.

On 28 May 2017 and 12 June 2017, the Group started adopting the “Accounting Standards for Business Enterprises No. 42 – Held-for-sale, Non-current Assets, Disposal Groups and Discontinuing Operations” newly promulgated by the Ministry of Finance (the “MoF”) in 2017 and the “Accounting Standards for Business Enterprises No. 16 – Government Grants” amended by the MoF in 2017, respectively. Besides, the financial statements for the Reporting Period were prepared in accordance with the “Notice of the Amendment and Issue of the Format of the Financial Statements for General Business Enterprises” (Cai Kuai [2017] No. 30, hereinafter referred to as the “**Cai Kuai No. 30 Document**”) promulgated by the MoF on 25 December 2017.

1. Held-for-sale, non-current assets, disposal groups and discontinuing operations

The “Accounting Standards for Business Enterprises No. 42 – Held-for-sale, Non-current Assets, Disposal Groups and Discontinuing Operations” specifies the classification and measurement of held-for-sale, non-current assets or disposal groups, which provides that profits and losses derived from continuing operations or discontinuing operations shall be separately stated in the income statements with detailed disclosure in the notes of the information of held-for-sale, non-current assets or disposal groups and discontinuing operations. Such standards require that the prospective approach shall be adopted for accounting treatment, which shall have no impact on the financial statements for comparable years.

2. Government grants

Prior to the implementation of the “Accounting Standards for Business Enterprises No. 16 – Government Grants” (amended), the Group’s government grants relating to assets were recognized as deferred income and were not evenly allocated and credited to profit or loss for the period over the useful life of related assets. Government grants relating to income in compensation for related expenses or losses incurred in subsequent periods were recognized as deferred income, and such grants were credited to profit or loss for the period of recognition of related expenses; government grants in compensation for related expenses or losses incurred were directly credited to profit or loss for the period.



After the implementation of the “Accounting Standards for Business Enterprises No. 16 – Government Grants” (amended), the Group’s government grants relating to assets, which set off the carrying amount of related assets or were recognized as deferred income, were credited to profit or loss by instalments over the useful life of related assets according to the average service life method. Government grants relating to income in compensation for related costs, expenses or losses incurred in subsequent periods were recognized as deferred income, and such grants were credited to profit or loss for the period or set off against related costs for the period of recognition of related costs, expenses or losses; government grants in compensation for related costs, expenses or losses incurred were directly credited to profit or loss for the period or set off against related costs. Government grants relating to daily activities shall be credited to other income according to the nature of economic activities. Government grants not related to daily activities were credited to non-operating income or expenses.

The Group adopts the prospective approach to accounting treatment of changes in the above accounting policies. Such changes in accounting policies have no impact on the financial statements for comparable years.

### 3. Statement of profit or loss on disposal of assets

Prior to the release of the Cai Kuai No. 30 Document, gain or loss on disposal recognized from sales of non-current assets classified as held for sale (excluding financial instruments, long-term equity investment or investment properties) or disposal groups, and gain or loss on disposal derived from disposal of fixed assets, construction in progress and intangible assets not classified as held for sale were stated in “non-operating income” or “non-operating expenses”.

After the release of the Cai Kuai No. 30 Document, gain or loss on disposal recognized from sales of non-current assets classified as held for sale (excluding financial instruments, long-term equity investment or investment properties) or disposal groups, and gain or loss on disposal derived from disposal of fixed assets, construction in progress, and intangible assets not classified as held for sale were stated in “gain on disposal of assets”.

The Group adopts the prospective approach to accounting treatment of the requirements of the Cai Kuai No. 13 Document and Cai Kuai No. 15 Document. Both changes in accounting policies have no impact on the financial statements for comparable years. The Company adopts the retrospective approach to accounting treatment of the requirements of the Cai Kuai No. 30 Document, and adjusts the comparable data for last year.

Without prejudice to the interests of the Company and its shareholders, especially small and medium shareholders, the decision-making process of such changes in accounting policies is in accordance with the requirements of relevant laws, regulations and the Articles of Association.

- 8.2 There were no corrections of material accounting errors during the Reporting Period.
- 8.3 During the Reporting Period, the Company had a new subsidiary, namely, Wufengshan Toll Bridge Company in which it owned 64.5% of the equity interests; and Guangjing Xicheng Company, a subsidiary of the Company, had two new subsidiaries, namely, Changyi Company and Yichang Company, both in which it owned 60% of the equity interests. Thus, the scope of the consolidated financial statements was changed.
- 8.4 Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued an auditors' report with standard unqualified opinion for the financial report of the Company for the Reporting Period.

## **IX. OTHERS**

### **1. Purchase, Sale and Redemption of the Company's Shares**

During the Reporting Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries; there was no person who exercised any conversion right or subscription right over convertible securities, options, warrants or other similar rights issued or granted by the Company or any of its subsidiaries at any time.

### **2. Preemptive Rights**

In accordance with the laws of the People's Republic of China and the articles of association of the Company, the Company did not grant any preemption rights pursuant to which the Company was required to offer new shares to existing shareholders in proportion to their shareholdings.

### 3. Public Float

According to public information and as far as the directors are aware, the board of directors is of the view that the public float of the shares of the Company as at the latest practicable date prior to the publication of this announcement complied with the requirements of the Hong Kong Listing Rules.

### 4. Model Code for Securities Transactions by Directors

Having made enquiries to all the Directors and supervisors of the Company, the Directors and supervisors of the Company complied with the provisions on securities transactions under the “Model Code for Securities Transactions by Directors of Listed Issuers” under Appendix 10 of the Hong Kong Listing Rules during the Reporting Period. The Company also formulated the “Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees” to ensure the relevant personnel’s compliance with this code in carrying out securities transactions.

### 5. Corporate Governance Code

As at the date of this announcement, the Board has reviewed the daily governance of the Company with reference to the Corporate Governance Code, and is of the view that the Company fully adopted all code provisions in the Corporate Governance Code and strived to fulfill the recommended best practices other than the code provisions A2.7, A4.2 and A6.7 stated below, the Company has been in compliance with all the code provisions under the Corporate Governance Code and no material deviation or breach of the provisions of the Corporate Governance Code was found.

Code provision	Compliance	Corporate governance procedures
A2.7 The chairman should hold a meeting annually with non-executive directors, in the absence of the executive directors	No	<ul style="list-style-type: none"><li>The board has 11 members, of whom 2 are executive directors and the rest are non-executive directors. 9 directors were appointed externally. This ensures adequate independence of the board of directors and safeguards the decisions of the board of directors from being prejudiced by the opinions of executive directors.</li></ul>

A4.2	Directors appointed to fill casual vacancies should be subject to election by shareholders at the first general meeting after appointment. Every director should be subject to retirement by rotation at least once every three years	No.	<ul style="list-style-type: none"> <li>• All directors were elected or replaced at general meetings. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a general meeting.</li> </ul>
A6.7	Independent non-executive Directors and other non-executive Directors should regularly attend Board meetings, meetings of committees and shareholders' general meetings, and develop a balanced understanding of the views of the shareholders	No	<ul style="list-style-type: none"> <li>• All independent non-executive directors and other non-executive directors have attended board meetings and meetings of various committees regularly and contributed their skills and expertise to the Company's decision-making process. Except Zhang Zhu Ting who was unable to attend due to job-related reasons, all the other independent non-executive directors have attended the general meetings of the Company held during the year.</li> </ul>

## **6. Audit Committee**

The Audit Committee of the Company has reviewed and confirmed, that the annual report for the year ended 31 December 2017 and its summary, and the relevant financial information was prepared under the China Accounting Standards for Business Enterprises, in respect of which Deloitte Touche Tohmatsu Certified Public Accountants LLP issued an auditors' report with standard unqualified opinion.

## **7. Remuneration Policy**

The Company has 5,490 employees. During the Reporting Period, the total remuneration for the employees was RMB911,329,173. Focusing on the construction and operation of roads and bridges and based on the characteristics of roads-and-bridges enterprises, the Company determines the employees' salaries according to their specific positions and their remuneration based on their performance, and sets up a fair and sound promotion system and provides stable and legitimate remuneration for the employees. In 2017, adhering to the work requirements of "five features and one merit", the Company continuously optimized the employees' remuneration and performance appraisal system, proactively implemented the talents introduction mechanism, and suitably increased the employees' salaries in order to strengthen their sense of achievement and motivate their enthusiasm and initiatives for work.

Focusing on the strategic target and key businesses of the year, the Company strictly carried out the administrative measures on performance appraisal and implementation rules. By specifying the assessment standards of similar types of positions based on different characteristics of the positions and combining the quantitative assessment with qualitative assessment as well as combining targeted assessment with assessment for different stages, the Company regularly conducted appraisals and assessments on the performance of the employees and departments from multiple dimensions. In 2017, the Company encouraged staff to improve themselves based on their positions, fostered skillful business professionals, carried forward the spirit of craftsman and improved all staff members' performance by means of the rating of "star toll collectors", the certification of the qualifications and grades of maintenance and hindrance clearance workers and the appraisal and conferring of professional titles for the management staff, etc. During the year, the Company selected a total of 166 outstanding staff members, exemplary toll collection staff members and exemplary service staff members and 16 exemplary teams. The Company granted rewards in a timely manner to encourage staff members to learn from such exemplars and outdo the role models, thus further motivating their passion for work.

In respect of the remuneration for the directors, the Remuneration and Appraisal Committee of the Company has prepared a remuneration package proposal for non-executive directors and independent directors on behalf of the Board, set benchmarks pursuant to the relevant rules of the domestic and overseas securities regulatory departments taking into account of the average director's fee levels in different markets and the actual circumstances of the Company. The committee proposed the director's fee package to the board of directors and the package was eventually considered and approved at the general meeting of the Company. The Company enters into an agreement with each director who receives director's fee from the Company, under which the fee is paid annually. As executive directors are senior executives of the Company, their remuneration is determined according to the remuneration policy for the senior management of the Company and they do not receive directors' fees from the Company.

## **8. Training Programmes**

Staff and talents are the foundation of corporate development. By strengthening staff education and training, the Company cultivates a corporate culture of team cooperation and continuous learning, through which employees are encouraged to enhance their own work capabilities and competitiveness in the realization of the added value on human resources. Total training fees and expenses incurred during the Reporting Period amounted to approximately RMB2,823,000 (RMB2,888,000 in 2016). The programs were participated by 7,522 persons of various levels, ranging from junior front-line staff members to the senior management.

During the Reporting Period, the Company insisted on the principle of conducting training programs in different levels. The second level units of the Company organized and carried out activities based on locations, levels and professions of the middle-level management to enhance their comprehensive abilities; organized Party members and cadres to revisit Jinggang Mountains and reminisce about the Long March so as to inspire their Party spirits and positive energy; set up training camps for cadres at the basic level; provided continuing education to the professionals and technicians, continuing education on safety to the management staff and group and team leaders and pre-job trainings to the reallocated employees; and carried on the Ninghu Lecture (《寧滬講堂》) which enabled more employees to participate in the learning process by leveraging on video platform. The existing relatively mature lecturer teams including the

“Puyun Lecture (浦雲學堂)”, and the “Team Builder (團隊拓展師)” have approximately 20 members after the Company has strengthened the building of internal part-time lecturer teams, and those teams periodically carry out training on improvement of skills. The business training “Design and Development of Micro-Classes《微課設計與開發》” held this year covered 60 persons and produced more than 10 Micro-Classes, all of which had been uploaded on the Dingding Teaching Platform (釘釘授客平台) and are available to staff for learning at anytime and anywhere.

During the Reporting Period, the Company further strengthened the management of human resources and pushed forward the strategy of developing the enterprise by talents. According to the needs of talents development, the Company proactively participated in the Double Selection Event for Fresh Graduates held by Communications Holding and the Organization Department of Provincial Party Committee. Through selecting and recruiting comprehensive talents in line with the development demands of the Company, the Company further enriched the talents pool of the Company.

## **9. Outsourcing of labour**

Total working hours of outsourced labour	1 year
Total amount of remuneration paid for the outsourced labour	RMB9,959,400

## X. FINANCIAL STATEMENT (PREPARED UNDER THE PRC ACCOUNTING STANDARDS)

### 10.1 Consolidated Balance Sheet

For the year ended 31 December 2017

*Unit: RMB*

Item	Closing balance	Opening balance
<b>Current Assets:</b>		
Cash and bank balances	269,357,751	265,422,162
Financial assets at fair value through profit or loss	38,871,811	33,212,717
Notes receivable	2,880,000	6,116,460
Accounts receivable	306,367,630	148,153,297
Prepayments	10,200,712	16,851,683
Interest receivable	80,231,500	45,694,000
Dividends receivable	4,989,960	4,989,960
Other receivables	21,035,223	422,083,818
Inventories	3,010,805,685	3,142,326,304
Non-current assets due within one year	300,000,000	–
Other current assets	557,742,656	326,161,615
<b>Total Current Assets</b>	<b>4,602,482,928</b>	<b>4,411,012,016</b>
<b>Non-current Assets:</b>		
Available-for-sale financial assets	2,329,877,191	2,086,127,987
Long-term equity investment	5,123,326,114	4,771,195,958
Investment properties	20,019,608	32,113,394
Fixed assets	1,740,197,103	1,734,084,711
Construction in progress	8,294,639,339	1,197,809,229
Intangible assets	19,962,642,227	21,324,779,176
Long-term prepaid expenses	1,069,666	3,628,179
Deferred tax assets	258,020,384	345,345,094
Other non-current assets	200,216,678	376,477,785
<b>Total Non-current Assets</b>	<b>37,930,008,310</b>	<b>31,871,561,513</b>
<b>TOTAL ASSETS</b>	<b>42,532,491,238</b>	<b>36,282,573,529</b>



Item	Closing balance	Opening balance
<b>Current Liabilities:</b>		
Short-term borrowings	3,599,000,000	810,000,000
Accounts payable	921,349,151	987,946,428
Receipts in advance	840,007,370	940,873,359
Employee benefits payable	3,636,736	4,816,324
Taxes payable	275,210,217	231,702,787
Interest payable	99,326,055	92,220,187
Dividends payable	81,117,999	73,614,218
Other payables	36,919,707	39,984,545
Non-current liabilities due within one year	623,841,375	121,718,718
Other current liabilities	<u>2,243,200,002</u>	<u>3,936,452,668</u>
<b>Total Current Liabilities</b>	<b><u>8,723,608,612</u></b>	<b><u>7,239,329,234</u></b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	3,874,089,201	1,471,905,901
Bonds payable	3,970,157,835	4,457,801,187
Deferred income	33,638,147	33,317,704
Provisions	8,010,000	–
Deferred tax liabilities	<u>28,056,831</u>	<u>138,362,514</u>
<b>Total Non-current Liabilities</b>	<b><u>7,913,952,014</u></b>	<b><u>6,101,387,306</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>16,637,560,626</u></b>	<b><u>13,340,716,540</u></b>

Item	Closing balance	Opening balance
<b>Shareholders' Equity:</b>		
Share capital	5,037,747,500	5,037,747,500
Capital reserve	10,428,388,235	10,428,388,235
Other comprehensive income	380,908,923	542,389,052
Surplus reserve	3,273,492,299	3,153,173,160
Retained profits	4,399,747,006	3,048,058,238
Total shareholders' equity attributable to equity holders of the Company	23,520,283,963	22,209,756,185
Minority interests	2,374,646,649	732,100,804
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>25,894,930,612</b>	<b>22,941,856,989</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>42,532,491,238</b>	<b>36,282,573,529</b>

<i>Legal Representative:</i> <b>Chang Qing</b>	<i>Person in Charge of the Accounting Body:</i> <b>Gu Dejun</b>	<i>Chief Accountant:</i> <b>Yu Lan Ying</b>
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## 10.2 Consolidated Income Statement

For the year ended 31 December 2017

Item	<i>Unit: RMB</i>	
	Amount for the current year	Amount for the prior year
<b>I. Total operating income</b>	<b>9,455,680,365</b>	9,201,297,066
Including: Operating income	9,455,680,365	9,201,297,066
Less: Total operating costs	<b>5,320,013,514</b>	5,268,508,210
Including: Operating costs	<b>4,334,469,882</b>	4,363,720,292
Taxes and levies	<b>87,587,512</b>	193,471,915
Selling expenses	<b>11,891,705</b>	26,762,163
Administrative expenses	<b>187,898,191</b>	182,065,269
Financial expenses	<b>480,441,961</b>	502,388,296
Impairment losses of assets	<b>217,724,263</b>	100,275
Add: Gains (losses) from changes in fair values	<b>5,659,094</b>	(2,674,334)
Investment income	<b>586,872,528</b>	472,966,663
Including: Income from investments in associates and joint ventures	<b>494,404,818</b>	438,033,337
Gains (losses) from disposal of assets	<b>(5,659,248)</b>	(3,570,996)
Other income	<b>1,828,188</b>	–
<b>II. Operating profit</b>	<b>4,724,367,413</b>	4,399,510,189
Add: Non-operating income	<b>14,176,399</b>	44,626,929
Less: Non-operating expenses	<b>24,721,090</b>	26,861,204
<b>III. Total profit</b>	<b>4,713,822,722</b>	4,417,275,914
Less: Income tax expenses	<b>1,029,003,204</b>	980,138,120
<b>IV. Net profit</b>	<b>3,684,819,518</b>	3,437,137,794
(I) Categorized by the nature of continuing operation		
1. Net profit(loss) from continuing operations	<b>3,684,819,518</b>	3,437,137,794
2. Net profit (loss)from discontinued operations	–	–
(II) Categorized by ownership:		
1. Profit or loss attributable to minority interests	<b>96,957,661</b>	91,073,927
2. Net profit(loss) attributable to owners of the Company	<b>3,587,861,857</b>	3,346,063,867

Item	Amount for the current year	Amount for the prior year
<b>V. Other comprehensive income, net of tax</b>	<b>(161,480,129)</b>	420,906,148
Other comprehensive income attributable to owners of the Company, net of tax	<b>(161,480,129)</b>	420,906,148
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	<b>(161,480,129)</b>	420,906,148
1. Share of other comprehensive income of the investee that will be reclassified to profit or loss under the equity method	<b>(161,480,129)</b>	420,906,148
Other comprehensive income attributable to minority interests, net of tax	-	-
<b>VI. Total comprehensive income:</b>	<b>3,523,339,389</b>	3,858,043,942
Total comprehensive income attributable to owners of the Company	<b>3,426,381,728</b>	3,766,970,015
Total comprehensive income attributable to minority interests	<b>96,957,661</b>	91,073,927
<b>VII. Earnings per share:</b>	-	-
(I) Basic earnings per share	<b>0.7122</b>	0.6642
(II) Diluted earnings per share	-	-

<i>Legal Representative:</i> <b>Chang Qing</b>	<i>Person in Charge of the Accounting Body:</i> <b>Gu Dejun</b>	<i>Chief Accountant:</i> <b>Yu Lan Ying</b>
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## Consolidated Cash Flow Statement

*Unit: RMB*

Item	Amount for the current year	Amount for the prior year
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	9,705,074,616	9,971,229,781
Other cash receipts relating to operating activities	85,241,484	54,626,277
Sub-total of cash inflows from operating activities	9,790,316,100	10,025,856,058
Cash payments for goods purchased and services received	2,250,687,820	2,437,465,202
Cash payments to and on behalf of employees	912,508,761	838,760,202
Payments of various types of taxes	1,319,643,498	1,110,091,302
Other cash payments relating to operating activities	75,371,043	175,790,848
Sub-total of cash outflows from operating activities	4,558,211,122	4,562,107,554
Net Cash Flow from Operating Activities	5,232,104,978	5,463,748,504
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	3,609,953,747	3,114,265,253
Cash receipts from investment income	188,557,751	180,049,103
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	415,072,493	395,368,117
Other cash receipts relating to investing activities	-	-
Sub-total of cash inflows from investing activities	4,213,583,991	3,689,682,473
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	7,398,167,915	583,935,224
Cash payments to acquire investments	4,278,382,278	3,262,506,730
Net cash payments for acquisitions of subsidiaries and other business units	-	-
Other cash payments relating to investing activities	120,000,000	69,000,000
Sub-total of cash outflows from investing activities	11,796,550,193	3,915,441,954
Net Cash Flow from Investing Activities	(7,582,966,202)	(225,759,481)

Item	Amount for the current year	Amount for the prior year
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	1,618,445,170	–
Including: cash receipts from capital contributions from minority owners of subsidiaries	1,618,445,170	–
Cash receipts from borrowings	9,016,900,000	4,936,522,350
Cash receipts from issue of bonds	6,200,000,000	9,400,000,000
Other cash receipts relating to financing activities	–	–
Sub-total of cash inflows from financing activities	16,835,345,170	14,336,522,350
Cash repayments of borrowings	11,721,704,918	16,978,147,054
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,679,912,913	2,589,370,064
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	72,856,986	67,770,972
Other cash payments relating to financing activities	14,380,393	33,836,355
Sub-total of cash outflows from financing activities	14,415,998,224	19,601,353,473
Net Cash Flow generated from Financing Activities	2,419,346,946	(5,264,831,123)
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	–	–
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>	68,485,722	(26,842,100)
Add: Opening balance of Cash and Cash Equivalents	194,272,978	221,115,078
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	262,758,700	194,272,978

<i>Legal Representative:</i> <b>Chang Qing</b>	<i>Person in Charge of the Accounting Body:</i> <b>Gu Dejun</b>	<i>Chief Accountant:</i> <b>Yu Lan Ying</b>
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### 10.3 Notes to Items in the Financial Statements :

#### 1. Operating income and operating costs

*Unit: RMB*

Item	Amount recognized in the current year		Amount recognized in the prior year	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	8,884,509,291	4,030,824,256	8,339,923,201	3,801,638,043
Including: Shanghai-Nanjing Expressway	4,804,374,867	1,295,089,018	4,572,683,126	1,221,713,458
Nanjing-Lianyungang Expressway and Nanjing-Nantong Expressway	33,204,966	28,056,334	24,961,001	16,569,477
Guangjing Expressway and Xicheng Expressway	867,533,895	256,375,340	838,727,408	248,097,364
Ningchang Expressway and Zhenli Expressway	1,064,293,775	537,329,066	909,765,569	468,889,810
Xiyi Expressway	334,956,223	185,012,655	306,319,318	172,184,816
Ancillary services	1,780,145,565	1,728,961,843	1,687,466,779	1,674,183,118
Real estate development	509,752,364	280,007,835	810,834,534	539,800,281
Advertising and others	61,418,710	23,637,791	50,539,331	22,281,968
<b>Total</b>	<b>9,455,680,365</b>	<b>4,334,469,882</b>	<b>9,201,297,066</b>	<b>4,363,720,292</b>

## 2. *Income tax expenses*

### (1) *Income tax expenses*

*Unit: RMB*

<b>Item</b>	<b>Amount recognized in the current year</b>	<b>Amount recognized in the prior year</b>
Current tax expenses	1,005,520,239	918,527,266
Deferred tax expenses	23,019,028	48,911,850
Provision of prior years' tax	463,937	12,699,004
<b>Total</b>	<b>1,029,003,204</b>	<b>980,138,120</b>

No provision for Hong Kong Profits tax has been made as the income neither arises, nor is derived from Hong Kong.

### (2) *Reconciliation of income tax expenses to the accounting profit is as follows*

*Unit: RMB*

<b>Item</b>	<b>Amount recognized in the current year</b>	<b>Amount recognized in the prior year</b>
Accounting profit	4,713,822,722	4,417,275,914
Income tax expenses calculated at 25% (prior year: 25%)	1,178,455,681	1,104,318,979
Effect of cost, expenses and loss that are not deductible for tax purposes	21,947,609	16,998,549
Effect of tax-free income	(136,644,047)	(111,261,978)
Effect of using previously deductible losses that have not recognized deferred tax assets	(35,219,976)	(42,616,434)
Adjustment to provision of prior years' tax	463,937	12,699,004
<b>Total</b>	<b>1,029,003,204</b>	<b>980,138,120</b>



**3. Net Profit for the year has been arrived at after charging:**

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Staff costs (Include: directors' emoluments)	<b>767,642,960</b>	713,956,405
Basic endowment insurance and annuity payment	<b>134,402,895</b>	116,292,644
Total staff costs	<b>902,045,855</b>	830,249,049
Audit fee	<b>3,200,000</b>	3,200,000
Depreciation and amortization (Included in operating costs and administrative expenses)	<b>1,355,067,632</b>	1,235,485,004
Losses on disposal of non-current assets	<b>5,659,248</b>	3,570,996
Amortization of land use rights (Included in operating costs and administrative expenses)	<b>64,658,223</b>	64,289,683
Cost of inventories recognised as an expense	<b>1,681,452,589</b>	1,940,454,870

**4. Breakdown of non-recurring profit or loss**

*Unit: RMB*

<b>Item</b>	<b>Amount</b>
Losses (gains) on disposal of non-current assets	5,659,248
Government grants recognized in profit or loss for the current period	(4,494,581)
Gains from changes in fair values of held-for-trading financial investments	
Profit on disposal of held-for-trading and available-for-sale financial investments	(12,183,544)
Net profit or loss of subsidiaries from business combination involving enterprises under common control for the period from the beginning of the period to the combination date.	–
Reversal of provisions for impairment of accounts receivable that are tested for impairment individually	–
Interest income from entrusted loans	(31,623,260)
Other non-operating income or expenses other than the above	13,211,084
Tax effects	7,357,764
Effects attributable to minority interests	(197,081)
<b>Total</b>	<b>(22,270,370)</b>

## 5. *Return on net assets and earnings per share (“EPS”)*

The return on net assets and EPS have been prepared by Jiangsu Expressway Co., Ltd in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

### 2017:

<b>Profit for the year ended 31 December 2017</b>	<b>Weighted average return on net assets (%)</b>	<b>EPS Basic EPS</b>	<b>Diluted EPS</b>
Net profit attributable to ordinary shareholders of the Company	16.06%	0.7122	N/A
Net profit after deduction of non-recurring profits or losses	15.96%	0.7078	N/A

### 2016:

<b>Profit for the year ended 31 December 2016</b>	<b>Weighted average return on net assets (%)</b>	<b>EPS Basic EPS</b>	<b>Diluted EPS</b>
Net profit attributable to ordinary shareholders of the Company	16.06%	0.6642	N/A
Net profit after deduction of non-recurring profits or losses	15.92%	0.6583	N/A

**6. Calculation process of basic earnings per share and diluted earnings per share**

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

	<i>Unit: RMB</i>	
	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Net profit for the current year attributable to ordinary shareholders	<b>3,587,861,857</b>	3,346,063,867
Including: Net profit from continuing operations	<b>3,587,861,857</b>	3,346,063,867
Net profit from discontinued operations	–	–

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

	<i>Unit: RMB</i>	
	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Number of ordinary shares outstanding at the beginning of year	<b>5,037,747,500</b>	5,037,747,500
Add: Weighted average number of ordinary shares issued during the year	–	–
Less: Weighted average number of ordinary shares repurchased during the year	–	–
Number of ordinary shares outstanding at the end of year	<b><u>5,037,747,500</u></b>	<b><u>5,037,747,500</u></b>

## Earnings per share

*Unit: RMB*

	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	<b>0.7122</b>	0.6642
Diluted earnings per share ( <i>Note</i> )	<b>N/A</b>	N/A
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	<b>0.7122</b>	0.6642
Diluted earnings per share ( <i>Note</i> )	<b>N/A</b>	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	<b>N/A</b>	N/A
Diluted earnings per share ( <i>Note</i> )	<b>N/A</b>	N/A

*Note:* As at 31 December 2017, there were no dilutive potential ordinary shares issued by the Group.

## 7. Accounts receivable

### (1) Disclosure of accounts receivable by categories:

Unit: RMB

Category	Closing balance		Bad debt provision		Net book value	Carrying amount		Opening balance		Bad debt provision	Net book value
	Carrying amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)		
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable for which bad debt provision has been assessed by portfolios Portfolio 1	298,431,238	96	-	-	298,431,238	139,364,565	93	-	-	-	139,364,565
Accounts receivable for which bad debt provision has been assessed by portfolios Portfolio 2	8,098,359	3	161,967	9	7,936,392	8,968,094	6	179,362	10	8,788,732	
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	1,699,980	1	1,699,980	91	-	1,699,980	1	1,699,980	90	-	-
<b>Total</b>	<b>308,229,577</b>	<b>100</b>	<b>1,861,947</b>	<b>100</b>	<b>306,367,630</b>	<b>150,032,639</b>	<b>100</b>	<b>1,879,342</b>	<b>100</b>	<b>148,153,297</b>	

Accounts receivable portfolios for which bad debt provision has been assessed using the percentage of total receivables outstanding approach:

*Unit: RMB*

Name of portfolio	Closing balance		Provision proportion (%)
	Accounts receivable	Bad debt provision	
Portfolio 2	8,098,359	161,967	2
<b>Total</b>	<b><u>8,098,359</u></b>	<b><u>161,967</u></b>	

(2) *The aging analysis of accounts receivable according to invoice date (close to revenue recognition date):*

*Unit: RMB*

Aging	Carrying amount	Closing balance			Carrying amount	Opening balance		
		Proportion (%)	Bad debt provision	Net book value		Proportion (%)	Bad debt provision	Net book value
Within 1 year	306,263,184	99	156,639	306,106,545	148,332,659	99	179,362	148,153,297
More than 1 year but not exceed 2 years	266,413	-	5,328	261,085	-	-	-	-
More than 2 years but not exceeding 3 years	-	-	-	-	-	-	-	-
More than 3 years	1,699,980	1	1,699,980	-	1,699,980	1	1,699,980	-
<b>Total</b>	<b><u>308,229,577</u></b>	<b><u>100</u></b>	<b><u>1,861,947</u></b>	<b><u>306,367,630</u></b>	<b><u>150,032,639</u></b>	<b><u>100</u></b>	<b><u>1,879,342</u></b>	<b><u>148,153,297</u></b>

(3) *Bad debt provision recorded, reversal and written off in the current year*

Bad debt provision recorded in the current year Nil(2016 : RMB68,158).

Bad debt provision reversal in the current year is RMB17,395(2016 : Nil).

(4) *Top five entities with the largest balances of accounts receivable*

*Unit: RMB*

**2017:**

Name of entity	Amount	Bad debt provision	Proportion of total accounts receivable (%)
Jiangsu Expressway Network Operation and Management Co., Ltd. ("Network Operation Company")	204,979,956	–	66
Sinopec Sales Co., Ltd. Jiangsu Branch	25,114,649	–	8
Jiaying City Kaitong Investment Co., Ltd.	17,339,421	–	6
Jiangsu Expressway Petroleum Development Co., Ltd. ("Jiangsu Petroleum Company")	9,200,900	–	3
Jiangsu Ninghang Expressway Co., Ltd. ("Ninghang Company")	8,662,941	–	3
<b>Total</b>	<b>265,297,867</b>	<b>–</b>	<b>86</b>

**2016:**

Name of entity	Amount	Bad debt provision	Proportion of total accounts receivable (%)
Network Operation Company	51,349,094	–	34
Sinopec Sales Co., Ltd. Jiangsu Branch	23,911,038	–	16
Ninghang Company	10,353,827	–	7
Sujiahang Company	8,903,208	–	6
Jiangsu Petroleum Company	7,683,155	–	5
<b>Total</b>	<b>102,200,322</b>	<b>–</b>	<b>68</b>

## 8. Other receivables

### (1) Disclosure of other receivables by categories:

Unit: RMB

Category	Carrying amount		Closing balance		Net book value	Carrying amount		Opening balance		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables that are individually significant and for which bad debt provision has been assessed individually	15,812,140	43	15,812,140	99	-	15,812,140	4	15,812,140	99	-
Other receivables for which bad debt provision has been assessed by portfolios-Portfolio1	15,430,197	42	-	-	15,430,197	416,651,952	95	-	-	416,651,952
Other receivables for which bad debt provision has been assessed by portfolios-Portfolio2	5,719,414	15	114,388	1	5,605,026	5,542,721	1	110,855	1	5,431,866
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36,961,751</b>	<b>100</b>	<b>15,926,528</b>	<b>100</b>	<b>21,035,223</b>	<b>438,006,813</b>	<b>100</b>	<b>15,922,995</b>	<b>100</b>	<b>422,083,818</b>

Closing balances of other receivable that are individually significant and for which bad debt provision has been assessed individually:

Unit: RMB

Other receivables (According to entity)	Other receivables	Closing balance Bad debt provision	Proportion (%)	Reason
Jinasu Yixing Highway Administration Department	15,812,140	15,812,140	100	Age over 3 years, not expected to be recovered



Other receivables portfolios for which bad debt provision have been assessed using the percentage of total receivables outstanding approach:

*Unit: RMB*

Name of portfolio	Closing balance		Proportion (%)
	Other receivables	Bad debt provision	
Portfolio 2	5,719,414	114,388	2

(2) *Provision recorded, reversal and written off in the current year*

Bad debt provision recorded in the current year is RMB8,944 (2016: RMB24,681).

Bad debt provision written off in the current year is RMB600 (2016: Nil).

Bad debt provision reversal in the current year is RMB4,811 (2016: RMB7,612).

(3) *Disclosure of other receivables by nature*

*Unit: RMB*

Nature	Closing balance	Opening balance
Amounts of the disposal of the removal network point in Shanghai-Nanjing Section of 312 National Highway	–	394,814,890
Amounts of investment clearance	<b>15,812,140</b>	15,812,140
Petty cash	<b>5,157,559</b>	5,227,781
Landlord maintenance funds	<b>4,811,123</b>	5,772,380
Mortgage deposits for housing fund loan	<b>4,252,500</b>	3,941,000
Amount from transfer of 7.5% equity interest in Jiangsu Sundian Engineering Co., Ltd.	–	3,899,000
Other insignificant amounts	<b>6,928,429</b>	8,539,622
<b>Total</b>	<b><u>36,961,751</u></b>	<b><u>438,006,813</u></b>

(4) *Top five entities with the largest balances of other receivables*

*Unit: RMB*

Name of entity	Nature of other receivables	Amount	Aging	Proportion of the amount to total other receivables (%)	Closing balance of bad debt provision
Jinasu Yixing Highway Administration Department	Amount of investment clearance	15,812,140	Over 3 years	43	15,812,140
Suzhou Housing Guarantee Co., Ltd.	Mortgage deposits for housing fund loan	4,252,500	Within 1 year	12	–
Jiangsu Kunshan Electric Co., Ltd.	Deposits for electrify charges	359,954	Within 1 year	1	–
Jiangsu Jurong Electric Co., Ltd.	Deposits for electrify charges	200,000	Over 3 years	1	–
Jurong Real Estate Industry Development Service Center	Deposit	130,000	Within 1 year	1	–
<b>Total</b>		<b>20,754,594</b>		<b>58</b>	<b>15,812,140</b>

**9. Prepayments**

(1) *The aging analysis of prepayments is as follows:*

*Unit: RMB*

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	9,793,248	96	15,482,950	92
More than 1 year but not exceeding 2 years	305,464	3	560,000	3
More than 2 years but not exceeding 3 years	10,000	–	806,733	5
More than 3 years	92,000	1	2,000	–
<b>Total</b>	<b>10,200,712</b>	<b>100</b>	<b>16,851,683</b>	<b>100</b>

(2) *Top five entities with the largest closing balances of prepayments*

*Unit: RMB*

Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Suzhou Water Supply Co., Ltd.	2,439,600	24
Jiangsu Provincial Public Security Bureau Traffic Police Corps	1,553,270	15
Jiangsu Longdu Construction Engineering Co., Ltd.	920,800	9
Jiangsu Electric Power Wuxi Power Supply Company	843,962	8
Suzhou Steamship Transportation Co., Ltd.	750,000	7
<b>Total</b>	<b><u>6,507,632</u></b>	<b><u>63</u></b>

**10. Accounts payable**

(1) *Details of accounts payable are as follows*

*Unit: RMB*

Item	Closing balance	Opening balance
Construction payable	<b>353,411,380</b>	394,052,655
Construction payable for real estate project	<b>394,077,716</b>	454,260,681
Purchase of petroleum payable	<b>40,425,661</b>	15,607,084
Toll road fee payable	<b>49,968,715</b>	42,190,132
Deposit payable for rent	<b>36,358,086</b>	21,032,400
Others	<b>47,107,593</b>	60,803,476
<b>Total</b>	<b><u>921,349,151</u></b>	<b><u>987,946,428</u></b>

(2) *The aging analysis of accounts payable according to invoice date (close to posting date):*

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	Opening balance
Within 1 year	<b>636,901,076</b>	788,023,690
More than 1 year but not exceed 2 years	<b>232,454,423</b>	156,504,595
More than 2 years but not exceeding 3 years	<b>30,112,412</b>	24,287,145
More than 3 years	<b>21,881,240</b>	19,130,998
<b>Total</b>	<b><u>921,349,151</u></b>	<b><u>987,946,428</u></b>

(3) *Significant accounts payable aging more than one year in the closing balance:*

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Reasons for outstanding or not carrying forward</b>
Construction payable for real estate project	<b>190,748,844</b>	Long settlement procedure of the real estate project
Construction payable	<b>18,436,959</b>	Long settlement procedure of the project
Bonds underwriting expenses payable	<b>14,250,000</b>	MTN underwriting expenses
Margin payable	<b>13,367,000</b>	Service zone lease margin
<b>Total</b>	<b><u>236,802,803</u></b>	

## 11. Receipts in advance

(1) Receipts in advance are shown as follows:

	<i>Unit: RMB</i>	
<b>Item</b>	<b>Closing balance</b>	Opening balance
Rental deposit received in advance	<b>16,787,613</b>	10,059,561
Advertising service fee received in advance	<b>13,422,192</b>	16,297,861
Income from properties for sales received in advance	<b>808,174,464</b>	913,251,497
Others	<b>1,623,101</b>	1,264,440
<b>Total</b>	<b><u>840,007,370</u></b>	<b><u>940,873,359</u></b>

The aging analysis of receipts in advance is as follows:

	<i>Unit: RMB</i>			
<b>Aging</b>	<b>Closing balance</b>		<b>Opening balance</b>	
	<i>Unit: RMB</i>	%	<i>Unit: RMB</i>	%
Within 1 year	<b>149,557,099</b>	<b>18</b>	778,187,688	83
More than 1 year but not exceed 2 years	<b>531,702,143</b>	<b>63</b>	161,911,217	17
More than 2 years but not exceeding 3 years	<b>158,668,128</b>	<b>19</b>	694,454	–
More than 3 years	<b>80,000</b>	–	80,000	–
<b>Total</b>	<b><u>840,007,370</u></b>	<b><u>100</u></b>	<b><u>940,873,359</u></b>	<b><u>100</u></b>

Details of receipts in properties for sales received in advance are as follows

*Unit: RMB*

Project	Opening balance	Closing balance	Completion date	Proportion of advance sale (%)
Baohua Hongyan Community B1 Tongchengshijia Project	1,460,000	<b>7,329,900</b>	April 2014	71
Baohua Hongyan Community B2 Tongchengshijia Project	104,452,695	<b>32,658,188</b>	November 2016	71
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	694,454	-	August 2012	97
Huaqiao Urban Core B4 Guangmingjiezuo Project	5,123,089	<b>2,303,100</b>	June 2015	84
Huaqiao Urban Core B19 Guangmingxinzuo Project	105,857,688	-	December 2016	91
Suzhou Qingyuan	5,300,000	<b>16,580,000</b>	December 2013	22
Suzhou Nanmen Road Nanmenshijia Phase 1 Project	<u>690,363,571</u>	<u><b>749,303,276</b></u>	January 2018	81
<b>Total</b>	<u>913,251,497</u>	<u><b>808,174,464</b></u>		

## 12. Other payables

(1) Details of other payables are as follows:

*Unit: RMB*

Item	Closing balance	Opening balance
Payable of daily procurement in service area	<b>8,932,215</b>	10,475,533
Amount of ETC prepaid cards collected on behalf of the internet network settlement center	<b>2,189,250</b>	8,627,397
Construction quality warrantee fee payable	<b>3,113,346</b>	1,930,309
Earnest money of acquisition of properties	<b>4,708,004</b>	3,402,883
Others	<u><b>17,976,892</b></u>	<u>15,548,423</u>
<b>Total</b>	<u><b>36,919,707</b></u>	<u>39,984,545</u>

(2) *Significant other payables with aging more than one year*

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Reasons for outstanding or not carrying forward</b>
N/A		

**13. Segment reporting**

(1) *Determining basis and accounting policy of reporting segment*

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 12 operating segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. On the basis of the operating segment, the Group determines 12 reporting segments (2016:9) based on the standard with which the Group's management determines resources allocation and performance assessment, including Shanghai-Nanjing Expressway, Nanjing-Lianyungang Highway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Ningchang Expressway and Zhenli Expressway, Zhendan Expressway, Wufengshan Expressway, Changyi Expressway and Yichang Expressway, Ancillary services (including petrol, food and retail in service zone along the expressways), Real estate development and Advertising and others.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(2) Financial information of reporting segment

Unit: RMB

	Shanghai-Nanjing Expressway		Nanjing-Lianyungang Highway		Guangjing Expressway and Xicheng Expressway		Xiya Expressway and Huantaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Operating income	4,804,374,867	4,572,683,126	33,204,966	24,961,001	867,533,895	838,727,408	334,956,223	306,319,318	-	-	-	-	1,064,293,775	909,765,569
Operating costs	1,295,089,018	1,221,713,458	28,056,334	16,569,477	256,375,340	248,097,364	185,012,655	172,184,816	-	-	-	-	537,329,066	468,889,810
Including: Amortization of toll roads operation rights	551,656,227	511,130,346	14,232,145	12,240,598	110,118,568	99,907,589	93,462,398	85,712,974	-	-	-	-	351,101,260	303,792,754
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit (loss)	3,509,285,849	3,350,969,668	5,148,632	8,391,524	611,158,555	590,630,044	149,943,568	134,134,502	-	-	-	-	526,964,709	440,875,759
Reconciling items:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Taxes and levies	17,295,750	61,504,864	119,538	335,700	3,123,122	11,069,183	1,205,842	4,009,016	-	-	-	-	3,831,458	11,993,882
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	72,874,440	70,184,988	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss of assets	-	-	217,737,524	-	-	-	-	-	-	-	-	-	-	-
Add: Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Invest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains (losses) from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	1,828,188	-
Operating profit	3,419,115,659	3,219,279,816	(212,708,430)	8,055,824	608,035,433	579,560,861	148,737,726	130,125,486	-	-	-	-	524,961,439	428,881,877
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total profit	3,419,115,659	3,219,279,816	(212,708,430)	8,055,824	608,035,433	579,560,861	148,737,726	130,125,486	-	-	-	-	524,961,439	428,881,877
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	3,419,115,659	3,219,279,816	(212,708,430)	8,055,824	608,035,433	579,560,861	148,737,726	130,125,486	-	-	-	-	524,961,439	428,881,877
Total segment assets	11,378,551,634	12,043,899,261	50,000,000	281,969,669	1,232,573,828	1,266,085,567	2,053,662,277	2,130,426,304	1,486,917,249	-	1,084,918,208	-	6,054,352,199	6,442,854,998
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Shanghai-Nanjing Expressway		Nanjing-Lianyungang Highway		Guangjing Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Supplementary information:														
Depreciation and amortization	648,395,685	667,345,889	14,232,145	12,240,598	127,915,472	122,953,495	100,454,886	95,323,060	-	-	-	-	390,796,919	353,297,853
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income from long-term investment under equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	11,378,551,634	12,043,899,261	50,000,000	281,969,669	1,232,573,828	1,266,085,567	2,053,662,277	2,136,426,304	1,486,917,249	-	1,084,918,208	-	6,054,352,199	6,442,854,998
Capital expenditure	59,473,481	178,985,873	-	-	62,910,956	14,830,176	13,004,577	11,875,034	1,484,729,260	-	1,082,308,293	-	44,936,796	21,485,862
Including: Expenditure arising from construction in progress	44,627,391	173,205,553	-	-	40,460,791	12,329,859	9,736,156	3,000,000	1,484,729,260	-	1,082,308,293	-	34,150,049	11,122,243
Expenditure arising from purchase of fixed assets	14,846,090	5,780,320	-	-	21,923,365	2,500,317	3,268,421	8,875,034	-	-	-	-	10,786,747	10,363,619
Expenditure arising from purchase of intangible asset	-	-	-	-	526,800	-	-	-	-	-	-	-	-	-

Unit: RMB

	Zhendan Expressway		Wufengshan Bridge		Ancillary services		Real estate development		Advertising and others		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Operating income	-	-	-	-	1,780,145,565	1,687,466,779	509,752,364	810,834,534	61,418,710	50,539,331	-	-	9,455,680,365	9,201,297,666
Operating costs	-	-	-	-	1,728,961,843	1,674,183,118	280,007,835	539,800,281	23,637,791	22,281,968	-	-	4,334,469,882	4,363,720,292
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	-	-	-	-	-	-	1,120,570,598	1,012,784,261
Costs of petrol and other goods sold in service zones	-	-	-	-	1,399,777,373	1,365,340,413	-	-	-	-	-	-	1,399,777,373	1,365,340,413
Segment operating profit (loss)	-	-	-	-	51,183,722	13,283,661	229,744,529	271,034,253	37,780,919	28,257,363	-	-	5,121,210,483	4,837,576,774
Reconciling items:														
Less: Taxes and levies	-	-	-	-	31,108,212	7,433,734	26,809,120	72,021,966	2,619,151	2,958,011	1,475,319	22,125,559	87,587,512	193,471,915
Selling expenses	-	-	-	-	-	-	11,389,920	26,449,808	501,785	312,355	-	-	11,891,705	26,762,163
Administrative expenses	-	-	-	-	-	-	-	-	-	-	115,023,751	111,880,281	187,898,191	182,065,269
Financial expenses	-	-	-	-	-	-	-	-	-	-	480,441,961	502,388,296	480,441,961	502,388,296
Impairment loss of assets	-	-	-	-	-	-	-	-	-	-	(13,261)	100,275	217,724,263	100,275
Add: Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	5,659,094	(2,674,334)	5,659,094	(2,674,334)
Invest income	-	-	-	-	-	-	-	-	-	-	586,872,528	472,966,663	586,872,528	472,966,663
Other income	-	-	-	-	-	-	-	-	-	-	-	-	1,828,188	-
Gains(losses) from disposal of assets	-	-	-	-	-	-	-	-	-	-	(5,659,248)	(3,570,996)	(5,659,248)	(3,570,996)
Operating profit	-	-	-	-	20,075,510	5,829,927	191,545,489	172,562,479	34,659,983	24,986,997	(10,055,396)	(169,773,077)	4,724,367,413	4,399,510,190
Non-operating income	-	-	-	-	-	-	-	-	-	-	14,176,399	44,626,929	14,176,399	44,626,929
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	24,721,090	26,861,205	24,721,090	26,861,205
Total profit	-	-	-	-	20,075,510	5,829,927	191,545,489	172,562,479	34,659,983	24,986,997	(20,600,087)	(152,007,353)	4,713,822,722	4,417,275,914
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	980,138,120	1,029,003,204	980,138,120
Net profit	-	-	-	-	20,075,510	5,829,927	191,545,489	172,562,479	34,659,983	24,986,997	(1,049,603,291)	(1,132,145,473)	3,684,819,518	3,437,137,794
Total segment assets	1,278,366,670	1,063,916,802	4,411,881,264	-	309,016,940	344,056,910	3,497,565,196	3,656,467,782	836,187,089	573,606,846	8,846,498,684	8,473,289,390	42,520,491,238	36,282,573,529
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	16,634,560,626	13,340,716,540	16,634,560,626	13,340,716,540

	Zhendan Expressway		Wufengshan Bridge		Ancillary services		Real estate development		Advertising and others		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Supplementary information:														
Depreciation and amortization	-	-	-	-	46,412,909	26,876,360	281,149	190,323	6,781,089	6,938,429	84,455,601	14,608,680	1,419,725,855	1,299,774,687
Interest income	-	-	-	-	-	-	-	-	-	-	5,038,043	3,983,653	5,038,043	3,983,653
Interest expense	-	-	-	-	-	-	-	-	-	-	471,952,511	478,668,707	471,952,511	478,668,707
Investment income from long-term equity investment under equity method	-	-	-	-	-	-	-	-	-	-	494,404,818	438,033,337	494,404,818	438,033,337
Non-current assets other than long-term equity investments	1,278,366,670	1,063,916,802	4,411,881,264	-	309,016,940	344,056,910	24,077,189	27,415,535	704,870,756	292,018,802	2,726,414,782	3,201,721,707	32,795,602,996	27,100,365,555
Capital expenditure	259,551,500	323,782,305	4,386,106,814	-	1,249,776	26,532,149	401,584	1,646,729	3,494,878	4,027,563	-	769,533	7,398,167,915	583,935,224
Including: Expenditure arising from construction in progress	259,551,500	323,782,305	4,386,106,814	-	704,240	22,670,107	202,257	1,259,644	3,466,203	3,442,757	-	-	7,346,042,954	550,812,468
Expenditure arising from purchase of fixed assets	-	-	-	-	545,536	3,862,042	199,327	387,085	28,675	584,806	-	-	51,598,161	32,353,223
Expenditure arising from purchase of intangible asset	-	-	-	-	-	-	-	-	-	-	-	769,533	526,800	769,533

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

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

(3) *External revenue by geographical area of source and non-current assets by geographical location*

All income and assets of the Group are from/located in Jiangsu province.

(4) *Degree of reliance on major customers*

The principle activities are toll roads operation and ancillary services along toll roads etc, therefore, there is no reliance on specific customers.

#### **14. Dividends**

According to proposal of the board of directors, on the basis of 5,037,747,500 issued shares, cash dividends of RMB0.44 (tax inclusive) per share will be distributed to all the shareholders (cash dividends announced in 2016 was RMB0.42 (tax inclusive)). In the event that the dividends will be distributed according to such proposal, the Company will need to pay dividends of approximately RMB2.217 billion in aggregate (previous period: approximately RMB2.116 billion), representing 61.78% (previous period: 63.23%) of the net profit attributable to the parent company during the Reporting Period. The Company did not implement conversion of surplus reserve into share capital in this year.

## **XI. DEFINITIONS**

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

Company	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
Group	the Company and its subsidiaries
Controlling Shareholder or Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway Network	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司), formerly known as China Merchants Huajian Highway Investments Company Limited (招商局華建公路投資有限公司)

Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Tongxingbao Company	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技有限公司)
Expressway Petroleum Company	Jiangsu Expressway Petroleum Development Co., Ltd. (江蘇高速公路石油發展有限公司)
Jiangsu Sundian	Jiangsu Sundian Engineering Co., Ltd. (江蘇現代路橋有限責任公司)
Guangjing Xicheng Company	Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
Sujiahang Company	Suzhou Sujiahang Expressway Co., Ltd. (蘇州蘇嘉杭高速公路有限責任公司)
Yangtze Bridge Company	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Ningchang Zhenli Company	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Xiyi Company	Jiangsu Xiyi Expressway Company Limited (江蘇錫宜高速公路有限公司)
Jinghu Company	Jiangsu Jinghu Expressway Company Limited (江蘇京滬高速公路有限公司)
Runyang Bridge Company	Jiangsu Runyang Bridge Development Co., Ltd. (江蘇潤揚大橋有限責任公司)
Suhuaiyan Company	Jiangsu Suhuaiyan Highway Management Co., Ltd. (江蘇宿淮鹽高速公路管理有限公司)
Wufengshan Toll Bridge Company	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Zhendan Company	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Ninghu Investment	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)

Ninghu Properties	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Kuailu Company	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Sujiayong Company	Suzhou Sujiayong Expressway Co., Ltd. (蘇州蘇嘉甬高速公路有限責任公司)
Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Company Limited (江蘇洛德股權投資基金管理有限公司)
Jiangsu Xiexin Gas	Jiangsu Xiexin Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司)
Hanwei Company	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Nanlin Hotel	Suzhou Nanlin Hotel Company Limited (蘇州南林飯店有限責任公司)
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Far East Shipping Company	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)
Group Finance Company	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Information Company	Jiangsu Expressway Information Engineering Technology Co., Ltd. (江蘇高速公路信息工程有限公司)
Maintenance Technology Company	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)

Changkun Company	Suzhou Changkun Expressway Co., Ltd. (蘇州常昆高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Company Limited (江蘇滬蘇浙高速公路有限公司)
Huatong Company	Jiangsu HuaTong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	Jiangsu Sutong Bridge Company Limited(江蘇蘇通大橋有限公司)
Fuanda Funds	Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司)
CDB Kai Yuan	CDB Kai Yuan Private Equity Fund Management Co., Ltd. (國開開元股權投資基金管理有限公司)
Financial Leasing Company	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
G312 Shanghai-Nanjing Section	Shanghai-Nanjing Section of National Highway G312
Nanjing-Lianyungang Highway	Nanjing Section of Nanjing-Lianyungang Highway
Guangjing Expressway	The north connection of Jiangyin Yangtze Bridge, Guangling-Jingjiang Section
Xicheng Expressway	The south connection of Jiangyin Yangtze Bridge, Jiangyin-Wuxi Section
Jiangyin Bridge	Jiangyin Yangtze River Bridge

Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-South of Changzhou Interchange Expressway
Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Northern Wuxi-Yixing West Dock Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Approach Expressways Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Reporting Period/Year	the period of one year from 1 January 2017 to 31 December 2017



year-on-year	as compared with the same period of 2016
CSRC	China Securities Regulatory Commission
SFC	the Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	level-1 depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

PRC Accounting Standards	Accounting Standards for Business Enterprises of the People's Republic of China 2006
Deloitte	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Corporate Governance Code	the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules

By Order of the Board  
**Yao Yongjia**  
*Secretary to the Board*

Nanjing, the PRC, 23 March 2018

*As at the date of this announcement, the Directors of the Company are: Chang Qing, Gu Dejun, Wu Xinhua, Du Wenyi, Yao Yongjia, Hu Yu, Ma Chung Lai, Lawrence, Zhang Erzhen\*, Zhang Zhuting\*, Chen Liang\* and Lin Hui\**

\* *Independent Non-executive Directors*