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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)**

**2018 INTERIM RESULTS PRELIMINARY ANNOUNCEMENT**

The content of this announcement is disclosed pursuant to Rule 13.49(6) and paragraph 46 of Appendix 16 of the Hong Kong Listing Rules.

The other information is disclosed pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

**1. IMPORTANT NOTICE**

- 1.1** The board of the directors (“**Board**”), the supervisory committee and directors, supervisors and senior management of the Company 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.

This summary of the interim report is extracted from the full text of the interim report, which will be published on [www.sse.com.cn](http://www.sse.com.cn), [www.hkexnews.hk](http://www.hkexnews.hk) and [www.jsexpressway.com](http://www.jsexpressway.com). For details, investors should read the full text of the interim report carefully.

The audit committee of the Company had reviewed and confirmed the full text and summary of the interim report for the six months ended 30 June 2018. The relevant financial information is prepared in accordance with the PRC Accounting Standards for Business Enterprises and is unaudited.

For definitions of roads and companies mentioned in this announcement, please refer to Definitions of this announcement.

## 1.2 Company Profile

<b>Stock abbreviation</b>	寧滬高速 (A Shares)	Jiangsu Express(H Shares)	JEXYY(ADR)
<b>Stock code</b>	600377	0177	477373104
<b>Stock Exchanges</b>	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	The United States of America

	<b>Secretary of the board of directors</b>	<b>Representatives of securities affairs</b>
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## 2. MAJOR ACCOUNTING DATA AND CHANGES IN SHAREHOLDERS

### 2.1 Major accounting data and financial indicators

*Unit: Yuan Currency: RMB*

	<b>The Reporting Period (January–June)</b>	Corresponding period of the previous year	Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)
Operating income	<b>5,141,779,834</b>	4,669,035,065	10.13
Net profit attributable to shareholders of the Company	<b>2,488,142,065</b>	1,899,660,185	30.98
Net profit attributable to shareholders of the Company after non-recurring profit or loss	<b>2,064,178,465</b>	1,892,141,366	9.09
Net cash flow from operating activities	<b>2,662,789,107</b>	2,573,346,735	3.48
	<b>As at the end of the Reporting Period</b>	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Net assets attributable to shareholders of the Company	<b>24,921,458,372</b>	23,520,283,963	5.96
Total Assets	<b>45,833,738,275</b>	42,532,491,238	7.76
Basic earnings per share ( <i>Yuan</i> )	<b>0.4939</b>	0.3771	30.98
Diluted earnings per share ( <i>Yuan</i> )	<b>N/A</b>	N/A	N/A
Basic earnings per share after nonrecurring profit/loss ( <i>Yuan</i> )	<b>0.4097</b>	0.3756	9.08

## 2.2 Shareholdings of top ten Shareholders

Total number of shareholders as at the end of the Reporting Period (number of H shareholders: 427 (inclusive)) 23,043

Total number of preference shareholders with voting rights restored as at the end of the Reporting Period 0

Shareholdings of top ten Shareholders							
Name of shareholder (full name)	Change during the Reporting Period	Numbers of shares held at the end of the Reporting Period	Shareholding percentage (%)	Numbers			Type of shareholder
				of shares held subject to selling restrictions	Shares pledged or frozen	Status of shares	
Jiangsu Communications Holding Company Limited	0	2,742,578,825	54.44	0	Nil	0	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd.	0	589,059,077	11.69	0	Nil	0	State-owned legal person
Commonwealth Bank of Australia	11,880,800	147,487,300	2.93	0	Unknown	0	Foreign legal person
BlackRock, Inc.	1,522,276	122,598,378	2.43	0	Unknown	0	Foreign legal person
JPMorgan Chase & Co.	-9,684,154	73,217,693	1.45	0	Unknown	0	person
Guotai Junan Securities Co.,Ltd.	16,963,510	72,945,765	1.45	0	Unknown	0	Others
Jiantou Zhongxin Asset Management Co., Ltd.	21,162,864	42,572,894	0.85	0	Unknown	0	Others
China Life Insurance (Taiwan) Co Ltd – Own funds	-10,727,142	9,953,812	0.20	0	Unknown	0	Foreign legal person
Cathay Life Insurance Company Limited – Own funds	0	9,553,937	0.19	0	Unknown	0	Others
China Life Insurance (Taiwan) Co Ltd – Own funds	0	9,432,500	0.19	0	Unknown	0	Foreign legal person

## 2.3 Controlling shareholders or change of de facto controller

Not Applicable.

### **3. MANAGEMENT DISCUSSION AND ANALYSIS**

#### **3.1 Discussion and Analysis of the Operations during the Reporting Period**

##### ***1. Business Overview***

During the Reporting Period, the Group realized total operating revenue of approximately RMB5,141,780,000 with an Year-on-year increase of approximately 10.13%, of which toll revenue amounted to approximately RMB3,593,486,000, representing an Year-on-year increase of approximately 5.62%; revenue from the ancillary business amounted to approximately RMB718,470,000, representing an Year-on-year decrease of approximately 15.29%; revenue from property sales amounted to approximately RMB797,720,000, representing an Year-on-year increase of approximately 106.24%; and revenue from advertising and other non-principal activities amounted to approximately RMB32,104,000, representing an Year-on-year increase of approximately 1.44%.

Under the PRC Accounting Standards, the Group realized operating profit of approximately RMB3,156,461,000 during the Reporting Period, representing an Year-on-year increase of approximately 24.01%; net profit attributable to shareholders of the Company amounted to approximately RMB2,488,142,000, and earnings per share was approximately RMB0.4939, representing an Year-on-year increase of approximately 30.98%.

##### ***2. Toll Road and Bridge Business***

During this Reporting Period, the Group recorded toll revenue of approximately RMB3,593,486,000, representing an Year-on-year increase of approximately 5.62%. Toll revenue accounted for approximately 69.89% of the Group's total operating revenue.

According to the data published by the Jiangsu Bureau of Statistics, Jiangsu Province's economy operated stably with certain improvement in the first half of 2018. The development structure was further adjusted, and the development drivers were further transformed. The GDP increased by approximately 7.0% Year-on-year. Driven by the regional economic development, the overall traffic volume of the road and bridge projects owned by the Group maintained a steady growth.

During the Reporting Period, the average daily traffic volume of Shanghai-Nanjing Expressway was 96,269 vehicles, representing a Year-on-year increase of approximately 5.73%, among which the increase in the volume of passenger vehicles was approximately 6.43% Year-on-year, and the Year-on-year growth rate of the volume of trucks was approximately 3.06%. The proportions of the volumes of passenger vehicles and trucks were approximately 79.83% and 20.17% respectively, which were relatively stable. The average daily toll revenue from Shanghai-Nanjing Expressway amounted to approximately RMB13,399,690 during the Reporting Period, representing an Year-on-year increase of approximately 5.07% and accounting for approximately 67.49% of the Group's total toll revenue.

During the Reporting Period, the traffic volumes of Ningchang Expressway, Zhenli Expressway and Wuxi Huantaihu Expressway continued to remain high with Year-on-year increases of approximately 14.41%, 16.22% and 19.80%, respectively, which saw the highest increases in both average daily traffic volume and toll revenue as compared to those of other expressways within the network; Changjia Expressway, which was newly put into operation at the end of 2016, recorded a remarkable growth with an increase of approximately 33% in traffic volume as compared to the same period last year. The traffic volume of Guangjing Expressway recorded a Year-on-year decrease of approximately 3.7% as a result of the large fluctuation in the volume of trucks due to the restrictions on truck traffic for the expansion of Jiangguang Expressway.

### **3. Ancillary Services**

The Company's ancillary services mainly included leasing, the sales of oil products, food and beverage services, the retail of goods and other related businesses in the service areas along Shanghai-Nanjing Expressway. The change in revenue from ancillary services was mainly due to the sales of refined oil and changes in passenger flows of the service areas which were closely related to the change in the traffic volume of Shanghai-Nanjing Expressway. During the Reporting Period, the Company realized revenue from the ancillary business of approximately RMB718,470,000.

In order to promote the overall improvement of economic efficiency and services quality in 6 service areas along Shanghai-Nanjing Expressway, the Company formulated a plan to reform the business models of the service areas. As at the end of this Reporting Period, the upgrading and transformation of Meicun Service Area, Huanglishu Service Area and Xianrenshan Service Area were completed and put into operation; the signing of the contracts regarding the outsourcing of operating rights of Yangcheng Lake Service Area and Fangmaoshan Service Area was completed in April 2018. Yangcheng Lake Service Area was outsourced for a term of 9 years with a rent totaling RMB185 million, and Fangmaoshan Service Area was outsourced for a term of 8 years with a rent totaling RMB185.26 million. During the Reporting Period, realised rental income from service areas amounted to approximately RMB80,649,000, representing an Year-on-year increase of approximately 79.81%. The economic efficiency of service areas has been gradually achieved.

In terms of oil products, the Company proactively coped with new changes in the supply and demand in the refined oil market and took initiative to secure a greater profit margin. As affected by the Year-on-year decrease of sales volume of oil products, revenue from the ancillary business of the Company during the Reporting Period decreased by approximately 15.29% as compared to that for the same period of last year. However, as the oil product purchase contracts newly entered into by the Company in 2018 resulted in the further growth of profit from oil products, gross profit margin of oil products during this Reporting Period increased by approximately 7.37 percentage points Year-on-year, accompanied by an Year-on-year increase of approximately 4.78 percentage points in gross profit margin of ancillary services.

#### **4. *Real estate development and sales business***

During the Reporting Period, the regulation policies on housing purchase quota and mortgage restriction in Nanjing, Suzhou and Jurong became continuously stringent, where control of housing prices, avoidance of bubbles and destocking were underway concurrently; the Company made great efforts to increase inventory turnover and actively accelerated the delivery of completed properties under the current regulation policies in force. Projects delivered comprised of Nanmen Shijia, a small proportion of flats in Phase II of Jurong B and the odd remaining flats of other projects including Phase I and II of the Jurong “Tongcheng Shijia” Project, Suzhou Qingyuan Project, Huaqiao B19 “Tongcheng Guangmingxinzu” Project, Huaqiao C4 “Tongcheng Hongqiao Mansion” and Huaqiao B4 “Tongcheng Guangmingjiezuo” Project.

During the Reporting Period, the Company recorded revenue from property sales of approximately RMB797,720,000, representing a substantial Year-on-year increase of approximately 106.24%. At present, property revenue of the Group was mainly derived from Ninghu Properties. Net profit after tax of Ninghu Properties amounted to approximately RMB113,691,000, representing an Year-on-year increase of approximately 66.51%, which was mainly due to the Year-on-year increase in the amount of delivery resulting from the concentrated delivery of new flats in Nanmen Shijia during the Reporting Period.

The construction and sale of the Hanrui Center Project developed by Hanwei Company were underway as scheduled. The Construction Works Commencement Permit for the project has been obtained. 1/F–3/F, and 1/F–4/F of the podium, of the Grade A Office Building (Building No. 1) were completed; 1/F–16/F of the LOFT Building (Building No. 2) were completed; and 1/F–17/F of the Hotel Apartment (Building No. 3) were completed. On November 2017, pre-sale permit for Building No. 2 and No. 3 has been obtained and pre-sale has been commenced and went well.

#### ***5. Advertising and other businesses***

Other businesses of the Company mainly comprised the advertising businesses of certain companies including Ninghu Investment, a subsidiary of the Company, and property services provided by certain companies including Ninghu Properties, a subsidiary of the Company. During the Reporting Period, the Group realized revenue from advertising and other businesses of approximately RMB32,104,000, representing a Year-on-year increase of approximately 1.44%.



### 3.2 Analysis of changes in relevant items in the financial statements

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Reporting Period</b>	Corresponding period of the previous year	Change in percentage (%)
Operating income	<b>5,141,779,834</b>	4,669,035,065	10.13
Operating costs	<b>2,256,373,175</b>	2,071,770,067	8.91
Selling expenses	<b>11,592,289</b>	8,647,259	34.06
Administrative expenses	<b>85,500,282</b>	79,798,689	7.14
Financial expenses	<b>253,212,505</b>	211,683,150	19.62
Net cash flow from operating activities	<b>2,662,789,107</b>	2,573,346,735	3.48
Net cash flow from investment activities	<b>-1,010,771,692</b>	-2,753,025,007	-63.29
Net cash flow from financing activities	<b>-1,210,230,628</b>	251,138,196	-
R&D expenditure	-	-	-
Taxes and surcharges	<b>107,395,338</b>	45,218,867	137.50
Gain on changes in fair value	<b>-2,594,467</b>	2,543,880	-
Investment income	<b>730,532,269</b>	291,449,163	150.66
Gain on disposal of assets	<b>-215,505</b>	-1,578,917	-86.35
Non-operating income	<b>9,282,569</b>	1,726,197	437.75

Explanation on the reason for the change of operating income: During the Reporting Period, the toll revenue and the income of the Company's property business increased, resulting in a Year-on-year increase in operating income of approximately 10.13%.

Explanations on the reasons for the changes of operating costs: During the Reporting Period, the income of the property business of the Company increased, which led to an increase of approximately RMB258 million in the costs of properties Year-on-year. Meanwhile, the increase in traffic volume led to the increase in the amortization expenses of road concession rights. The Company's total operating costs increased by approximately 8.91% Year-on-year.

Explanations on the reasons for the changes in selling expenses: During the Reporting Period, Hanwei Company was included in the scope of consolidation. The increase in advertisement and promotion fee and commission fee for the agent of real estate sales of South Nanjing New City project resulted in an increase in selling expenses by approximately 34.06% Year-on-year.

Explanations on the reasons for the changes in administrative expenses: During the Reporting Period, the sharp increase in labour costs and the increase in building maintenance expenses caused a Year-on-year increase in administrative expenses by approximately 7.14%.

Explanations on the reasons for the changes in financial expenses: The successive capital investment in the ongoing road and bridge construction of project companies led to a Year-on-year increase in the average amount of interest-bearing debts of the Company. Due to tightening supervision over the financial market in the first half of the year and other reasons, during the Reporting Period, the capital cost in the market increased, the comprehensive loan interest rate of the Company's interest-bearing debts increased Year-on-year, and the Company's financial expenses increased by approximately 19.62% Year-on-year.

Explanations on the reasons for the changes in net cash flow from operation activities: During the Reporting Period, the Year-on-year increase in the net cash flow from operation activities was mainly attributed to the increase in toll revenue and the net cash inflow from operation activities contributed by inclusion of Hanwei Company in the scope of consolidation.

Explanations on the reasons for the changes in net cash flow from investment activities: The Year-on-year decrease in net cash outflow from the purchase of wealth management products and the payment for ongoing road and bridge construction projects resulted in a significant increase in the net cash flow generated from investment activities during the Reporting Period.

Explanations on the reasons for the changes in net cash flow from financing activities: The Year-on-year decrease in the net cash flow from financing activities was mainly attributed to the Year-on-year decrease in the capital contribution received by subsidiaries and the Year-on-year increase in the cash outflow for payments of dividends distributed.

Explanations on the reasons for the changes in R&D expenditure: None

Explanations on the reasons for the changes in taxes and surcharges: During the Reporting Period, the Ninghu Properties, a subsidiary of the Company, delivered property projects and the income from delivery was mainly generated before replacement of business tax with value-added tax and tax provision was made for advance settlement of land appreciation tax. As a result, the taxes and surcharges increased Year-on-year.

Explanations on the reasons for the changes in gain on fair value change: mainly due to the Year-on-year decrease in the fair value of held-for-trading financial assets held by Ninghu Investment, a subsidiary of the Company, during the Reporting Period.

Explanations on the reasons for the changes in investment income: mainly due to the Year-on-year increase in investment income contributed by associates during the Reporting Period; and the recognition of the difference between the fair value and book value of the equity interests in Hanwei Company held by the Company prior to the acquisition date as revaluation gain upon combination of Hanwei Company in accordance with the standards on business combinations involving enterprises not under common control.

Explanations on the reasons for the changes in gain on disposal of assets: mainly due to the Year-on-year decrease in the loss from disposal of assets during the Reporting Period.

Explanations on the reasons for the changes in non-operating income: mainly due to the negative goodwill arising from the combination of Hanwei Company during the Reporting Period.

### 3.3 Principal operating activities classified by industries and products

*Unit: Yuan Currency: 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	3,593,486,094	1,101,969,427	69.33	5.62	8.43	Decreased by 0.80 percentage point
Shanghai-Nanjing Expressway	2,425,343,255	645,318,177	73.39	5.07	14.05	Decreased by 2.10 percentage points

Principal operating activities classified by industries						
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
Nanjing-Lianyungang Highway	12,014,124	2,103,673	82.49	-26.98	-79.30	Increased by 44.27 percentage points
Guangjing Expressway and Xicheng Expressway	425,941,644	108,289,749	74.58	2.60	2.89	Decreased by 0.07 percentage point
Ningchang Expressway and Zhenli Expressway	562,154,981	264,516,223	52.95	11.17	1.55	Increased by 4.46 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	168,032,090	81,741,605	51.35	7.18	9.58	Decreased by 1.07 percentage points
Ancillary services business	718,469,872	658,426,686	8.36	-15.29	-19.49	Increased by 4.78 percentage points
Property sales business	797,719,861	485,055,076	39.19	106.24	113.71	Decreased by 2.13 percentage points
Advertising and other businesses	32,104,007	10,921,986	65.98	1.44	2.43	Decreased by 0.33 percentage point
Total	<u>5,141,779,834</u>	<u>2,256,373,175</u>	<u>56.12</u>	<u>10.13</u>	<u>8.91</u>	Increased by 0.49 percentage point

Explanations on the position of principal business activities classified by industries and by products:

Last year, the Company made provision for impairment of intangible assets for the concession right of Nanjing-Lianyungang Highway of approximately RMB217,738,000. As a result, the concession right of Nanjing-Lianyungang Highway was not subject to amortization over the Reporting Period, resulting in a higher gross profit margin of Nanjing-Lianyungang Highway.

## ***Cost structure***

During the Reporting Period, accumulated operating costs amounted to approximately RMB2,256,373,000, representing a Year-on-year increase of approximately 8.91%. The cost structure of each business category is set out below:

*Unit: Yuan Currency: RMB*

<b>Items of operating costs</b>	<b>Reporting Period</b>	<b>Percentage %</b>	<b>Corresponding period of the previous year</b>	<b>Percentage %</b>	<b>Year-on-year increase/decrease as compared to the corresponding period of last year %</b>	<b>Explanation on changes</b>
<b>Operating costs of the toll roads</b>	<b>1,101,969,427</b>	<b>48.85</b>	<b>1,016,303,817</b>	<b>49.06</b>	<b>8.43</b>	
Depreciation and amortization	661,405,273	29.31	656,594,285	31.69	0.73	
Costs on toll collection operation	54,502,098	2.42	51,574,945	2.49	5.68	
Costs on maintenance	74,649,841	3.31	36,612,385	1.77	103.89	The Year-on-year increase in the road maintenance cost was mainly due to the comprehensive improvement of facilities and greening along the expressway during the Reporting period and the reason of settlement cycle.
Costs on system maintenance	15,013,035	0.67	8,035,227	0.39	86.84	The Year-on-year increase in costs of system maintenance was mainly due to the upgrading and transformation of the lighting facilities along the expressway during the Reporting Period and the reason of settlement cycle.

Items of operating costs	Reporting Period	Percentage %	Corresponding period of the previous year	Percentage %	Year-on-year increase/ decrease as compared to the corresponding period of last year	Explanation on changes
					year %	
Labour costs	296,399,180	13.14	263,486,975	12.72	12.49	The Year-on-year increase in labour costs of the toll road business was due to the sharp increase in labour costs and staff turnover arising from the transformation of the operation mode of service areas during the Reporting Period.
<b>Costs of ancillary businesses</b>	<b>658,426,686</b>	<b>29.18</b>	<b>817,830,971</b>	<b>39.47</b>	<b>-19.49</b>	
Raw materials	515,335,879	22.84	708,256,384	34.18	-27.24	The Year-on-year decrease in the purchasing cost of raw materials was mainly due to the decrease in the sales of oil products and rental of certain service areas during the Reporting Period.
Depreciation and amortization	24,409,509	1.08	12,815,103	0.62	90.47	Mainly due to the adjustment to the accounting basis for service areas.

Items of operating costs	Reporting Period	Percentage %	Corresponding period of the previous year	Percentage %	Year-on-year increase/decrease as compared to the corresponding period of last year %	Explanation on changes
Labour costs	91,843,962	4.07	78,119,091	3.77	17.57	The Year-on-year increase in labour costs for auxiliary businesses during the Reporting Period was due to the sharp increase in labour costs and reassignment of personnel to the hindrance clearance business following the outsourcing of part of the maintenance business.
Other costs	26,837,336	1.19	18,640,393	0.90	43.97	Mainly due to the Year-on-year increase in the maintenance and property management costs in support of the upgrading and transformation of service areas during the Reporting Period.
Costs of property sales business	485,055,076	21.50	226,972,213	10.96	113.71	The Year-on-year increase in the costs of property sales business was due to the Year-on-year increase in the scale of property projects delivered and recognized during the Reporting Period.
Costs of advertising and other businesses	10,921,986	0.47	10,663,066	0.51	2.43	
Total	<u>2,256,373,175</u>	<u>100</u>	<u>2,071,770,067</u>	<u>100</u>	<u>8.91</u>	

### 3.4 Investment Analysis

#### 3.4.1 Analysis of major subsidiaries and investees

##### 1. Operations of major subsidiaries

Name of company	Principal business	Investment cost <i>RMB</i>	Equity interest attributable to the Company		Total assets <i>RMB</i>	Net assets <i>RMB</i>	Net profit <i>RMB</i>	Company's net profit <i>%</i>	Year-on-year
			<i>%</i>						Percentage of the
Guangjing Xicheng Expressway Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85		10,600,384,017	6,355,243,369	337,340,835	13.29	-1.64
Ningchang Zhenli Expressway Company	Expressway construction, management, maintenance and toll collection	6,729,236,885	100		7,876,041,830	7,815,834,525	217,742,462	8.58	26.74
Ninghu Investment	Investments in various types of infrastructure, industries and assets	632,100,000	100		900,815,958	880,773,844	13,008,856	0.51	-19.66
Ninghu Properties	Real estate development, operation and consultancy services	500,000,000	100		2,983,920,385	893,077,189	113,690,889	4.48	66.51



Name of company	Principal business	Investment cost <i>RMB</i>	Equity interest attributable to the Company	Total assets <i>RMB</i>	Net assets <i>RMB</i>	Net profit <i>RMB</i>	Percentage of the Company's net profit	Year-on-year increase/decrease in net profit
			%				%	%
Zhendan Company	Expressway construction, management, maintenance and toll collection.	423,910,000	70	1,577,510,615	606,469,782	-8,500	-	70
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	1,794,936,830	64.5	5,417,725,590	2,774,122,732	-58,525	-	-53.38
Hanwei Company	Real estate development and operation	184,499,800	100	1,846,676,878	617,523,596	-5,383,507	-	-

\* During the Reporting Period, the accumulated operating income of Guangjing Xicheng Company amounted to approximately RMB613,455,000, representing an increase of approximately 4.24% Year-on-year; the accumulated operating costs amounted to approximately RMB214,485,000, representing an increase of approximately 8.51% Year-on-year. During the Reporting Period, due to the Year-on-year increase in dividends distributed by Jiangsu Leasing, an investee, and increase in profit of Yanjiang Company, an investee, the investment income increased by approximately 15.72% Year-on-year. The capital contribution to the project companies such as Changyi Company and Yichang Company resulted in a Year-on-year increase in its average interest-bearing debts during the Reporting Period, and the financing costs increased Year-on-year due to the tightening supervision on the financial market. The financial expenses increased by approximately 62.53% Year-on-year. The above factors led to a decrease in net profit of Guangjing Xicheng Company by approximately 1.64% Year-on-year during the Reporting Period.

- \* During the Reporting Period, the toll revenue of Ningchang Zhenli Company continued to rise, with net profit of approximately RMB217,742,000 during the Reporting Period, a Year-on-year increase of approximately 26.74%.
- \* During the Reporting Period, with a Year-on-year increase of approximately 472.35% in investment income, Luode Fund Company, an associate invested by Ninghu Investment, recorded an increase in profit. However, due to the combined effects of the income of approximately RMB18,590,000 derived from the transfer of investment properties in the corresponding period of last year, and a Year-on-year decrease in the fair value of held-for-trading financial assets during the Reporting Period, the net book profit decreased by approximately 19.66% Year-on-year.
- \* In accordance with the Company's decision made at the 22nd meeting of the eighth session of the Board on 19 March 2018, the Company acquired 30% equity of the joint venture, Hanwei Company, for RMB184,499,800. After the acquisition, Hanwei Company became the Company's wholly-owned subsidiary. For details of the acquisition project, please refer to the relevant announcements of the Company dated 20 March 2018 published on the websites of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). On 12 April 2018, Hanwei Company completed relevant procedures for the changes in business registration and other related formalities. The Company's acquisition date of Hanwei Company was 12 April. According to the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment (Revised in 2014), Accounting Standards for Business Enterprises No. 33 – Combined Financial Statements (Revised in 2014) and other relevant requirements, and in accordance with the standards on exerting control over the investee not under common control, for the equity held by the Company in Hanwei Company before the acquisition date in the combined financial statements, professional institution was engaged by the Company to evaluate the net assets of Hanwei Company by using asset-based approach. According to the assessment results, the Company remeasured the equity held by the

Company in Hanwei Company before the acquisition date at its fair value on the acquisition date, and value appreciation of approximately RMB430,500,000 from assessment was recognized based on the difference between the fair value and its book value.

\* Please refer to the sections headed “Property Development and Sales Business” in this report for the operational performance of Hanwei Company.

## 2. Operations of key associates

During the Reporting Period, the investment income of the Group amounted to approximately RMB730,532,000, representing an increase of approximately 150.66% Year-on-year and approximately 28.77% of the Group’s net profit. The Year-on-year increase in investment income was mainly due to the facts that: associates, in which the Group had a participating interest, contributed investment income of approximately RMB284,809,000, a Year-on-year increase of approximately 30.83%; and a valuation gain of approximately RMB430,500,000 was recognized with the combination of Hanwei Company during the Reporting Period. Operating results of certain key associates are set out below:

Name of Company	Principal business	Investment cost <i>RMB</i>	Equity interest attributable to the Company <i>%</i>	Net profit attributable to the shareholders of the associates <i>RMB</i>	Contribution to investment income <i>RMB</i>	Percentage of the Company’s net profit <i>%</i>	Year-on-year increase/decrease <i>%</i>
Sujiahang Company	Management and operation of Sujiahang Expressway	526,090,677	31.55	305,691,857	96,445,781	3.80	18.44
Yangtze Bridge Company	Mainly engaged in the management and operation of Jiangyin Bridge	631,159,243	26.66	350,656,414	93,485,000	3.68	28.49
Yanjiang Company	Mainly engaged in the management and operation of Yanjiang Expressway	1,466,200,000	25.15	330,854,409	91,315,817	3.60	6.61
Sujiayong Company	Mainly engaged in the management and operation of Changjia Expressway	431,609,486	22.77	-10,117,694	-2,303,799	-	-43.60

- \* Due to the Year-on-year increase in toll revenue driven by the growth in the traffic volume, Sujiahang Company recorded an increase in net profit as compared to that of the corresponding period of last year and its contribution to investment income increased by approximately 18.44% Year-on-year.
- \* Due to the Year-on-year increase in toll revenue driven by the growth in the traffic volume and Year-on-year increase in investment income from Sutong Bridge (蘇通大橋) and Taizhou Bridge (泰州橋), Yangtze Bridge Company recorded an increase in net profit as compared to that of the corresponding period of last year and its contribution to investment income increased by approximately 28.49% Year-on-year.
- \* Due to the decrease of interest-bearing liabilities and a Year-on-year decrease in financial expenses, Yanjing Company recorded an increase in net profit as compared to that of the corresponding period of last year and its contribution to investment income increased by approximately 6.61% Year-on-year.
- \* Due to the Year-on-year increase in toll revenue driven by the growth in the traffic volume, Sujiayong Company recorded a decrease in operating loss of approximately 43.60% as compared to that of the corresponding period of last year.

### **3.5 Prospects and plan**

#### ***1. Analysis of operation situation***

Economy in the Yangtze River Delta was developing steadily with improving quality in the first half of 2018, and is expected to maintain such development momentum in the second half of the year. Given the comparatively stable performance of growth in the traffic volume of both passenger vehicles and trucks of each expressway during the Reporting Period, the toll revenue throughout the year is expected to increase at a steady rate. In respect of reform of mode of operation, the Company steadily advanced the reform plan for the service areas and completed the tendering process for outsourcing six services areas. Meanwhile, the Company also tapped profit potentials of oil products with intensive efforts and witnessed progressive achievement in the overall operating effectiveness of the ancillary services business.

## **2. *Work priorities in the second half of this year***

### **(1) *Capitalizing on the listing status to optimize and integrate expressway resources***

Based on its principal business, the Company will capitalize on its listing status to develop an integrative view on the planning and layout of the expressway network, exploring high-quality expressway investment opportunities, optimize and integrate expressway resources and expand investment in traffic infrastructure such that the Company will be skilled, specialized and superior in its principal traffic businesses. The Company will proactively advance such new projects as Wufengshan Toll Bridge and North-South Approach Expressways and complete various construction and preparatory tasks before Zhendan Expressway is open to traffic so as to develop and nurture new profit growth drivers for the principal businesses of the Company and further consolidate the leading position of the Company in the South Jiangsu expressway network.

### **(2) *Upholding corporate reform and innovation to advance the new round of transformation in the service areas***

Steadfast in the working thought of “prompt action and awaiting belated rewards”, the Company will carry forward the upgrade and transformation of the six service areas along the Nanjing Shanghai expressway emphatically based on the concept of “awaiting belated rewards” and strive to achieve “simultaneous improvement” of social and economic benefits. It will continue to promote transformation of the “3+3” operating model for the preliminary realization of service upgrade and transformation throughout the Nanjing Shanghai expressway, level up internal management of the service areas in a practical manner and enhance the customers’ recognition and satisfaction over the service areas along Nanjing Shanghai expressway through platform expansion, brand partnership, innovation in business modes, etc.. Meanwhile, the Company will, leveraging on opportunities in the wake of changes in the oil products market, develop a set of feasible oil products management mechanism systems to seek for potential benefits.

(3) *Proactively mapping out new investment and financing measures by leveraging on the capital advantages of the Company*

Under the macro circumstance of reform of the state-owned enterprises, the Company will, in consistent adherence to the guidance of the “13th Five-year” development strategy, broaden its horizon, emphasize macro transportation and macro infrastructure and look ahead to identify new investment opportunities through prudent demonstrations and efficient operation, thereby save up strength for the long-term development of the Company. At the same time, the Company will intensify communication with professional intermediaries, vigorously experiment on all kinds of innovative financing instruments, and further tap the comprehensive financing potential of the Company in domestic and overseas capital markets so as to reduce financing costs, optimize debt structure and provide low-cost capital guarantee for the strategic development.

(4) *Proactively implementing “smart capacity expansion” and comprehensively enhancing the traffic capacity of the roads*

Highlighting the constructing of “smart traffic” and “smart expressways”, the Company will strengthen the application of innovative technology achievements, accelerate the organic integration of technological resources and production and operation, continue to conduct research on the subject of guaranteeing traffic capacity under extra-large traffic volume, and further improve the passing efficiency of expressways by means of “smart capacity expansion”. It will also advance the intelligent comprehensive control and utilize modern information technology integration such as cloud computing, artificial intelligence, big data, etc., in traffic construction to enhance the capability in data analysis and business supporting and level up the networking and intelligent standards of expressway operation and management. Besides, the Company will also press ahead “expressway + Internet”. It has achieved sufficient sharing of on-site information by introduction of cloud technologies including cloud check-in in thorough cooperation with Amap such that it is capable of coping with traffic conjunctions efficiently and guaranteeing smooth traffic at full stretch.

## 4. PROFIT DISTRIBUTION PLAN AND THE IMPLEMENTATION THEREOF

### 4.1 Execution or Adjustments of Profit Distribution Plan Implemented in the Reporting Period

As approved at the 2017 annual general meeting, the Company distributed a cash dividend of RMB0.44 (tax inclusive) per share to all shareholders for the year 2017 on the basis of a total of 5,037,747,500 shares in the share capital at the end of 2017, representing a payout ratio of 61.78%. Such profit distribution plan was implemented on 13 July 2018.

### 4.2 Profit Distribution Plan or Plan to Convert Surplus Reserves into Share Capital Proposed for This Interim Period

Whether to make profit distribution or convert surplus reserves into share capital	No
Number of bonus share per share ( <i>share</i> )	0
Amount of cash dividend per share ( <i>Yuan</i> ) ( <i>including tax</i> )	0
Number of shares converted per share ( <i>share</i> )	0

Relevant explanation on profit distribution plan or plan to convert surplus reserves into share capital

During the Reporting Period, the Board has recommended not to distribute interim dividends for the six months ended 30 June 2018 (for the corresponding period in 2017: nil), and there is no plan to convert surplus reserves into share capital.

## 5. OTHER SIGNIFICANT MATTERS

5.1 Repurchase, Sale and Redemption of Securities: For the six months ended 30 June 2018, there was no repurchase, sale or redemption of any of its securities by the Company or any of its subsidiaries.

5.2 Pre-emption Rights: In accordance with the laws of the People's Republic of China and the Company's Articles of Association, the Company did not grant any pre-emption rights pursuant to which the Company would be required to put forward a proposal to the existing shareholders to offer new shares in proportion to their shareholdings.



- 5.3 Public Float: As at 30 June 2018 and the disclosure date of this announcement, the Company complied with the 25% public float requirement under the Hong Kong Listing Rules.
- 5.4 For the period of six months ended 30 June 2018, the Board, having reviewed the day-to-day governance practices of the Company with reference to the Corporate Governance Code, was of the opinion that other than the code provisions A2.1, the Company fully adopted and complied with all code provisions in the Corporate Governance Code and strived to meet the requirements of the recommended best practices thereof in each aspect and that no other deviation or breach was found.

From the date of the general meeting of shareholders on 21 June 2018 to the date of this Report, Mr. Gu Dejun were both Chairman and General Manager of the Company due to manpower redeployment, which failed to fully comply with Appendix 14A.2.1 of the Hong Kong Listing Rules stipulating that the roles of Chairman and Chief Executive should not be performed by the same individual. As of the date of this Report, the Board has approved the appointment of Sun Xibin as the General Manager of the Company.

- 5.5 Compliance with the Model Code for Securities Transactions by Directors: Having made specific enquiries to all the directors and supervisors of the Company, the directors and supervisors of the Company have fully complied with the provisions under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Hong Kong Listing Rules during the Reporting Period. The Company has also formulated the “Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees”, which is on terms no less exacting than the required standard set out in Appendix 10 of the Hong Kong Listing Rules, to ensure the relevant personnel’s compliance with the code in carrying out securities transactions.



- 5.6 The Company has appointed a sufficient number of independent non-executive directors. Zhang Zhuting, Chen Liang, Lin Hui and Zhou Shudong were appointed as independent non-executive directors of the ninth session of the Board, accounting for more than one-third of the members of the Board. Four independent non-executive directors are currently serving at renowned universities in the PRC and are senior experts in the academic fields of economic management, industry policies and regulations, as well as financial accounting and are well-versed with academic theories and management experience. Independent directors respectively serve as members of various committees of the Board. Independent non-executive directors represent a majority in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and an independent non-executive director acts as the Chairman at each of these committees.
- 5.7 Save as disclosed in this announcement, there has been no material changes in respect of (a) the development of the business of the Group during the Reporting Period and of the financial position of the Group at the end of the Reporting Period; (b) important events affecting the Group; and (c) the likely future development in the business of the Group and its prospects for the current financial year since the publication of the 2017 annual report of the Company.

## 6. FINANCIAL REPORT

The relevant financial information is prepared on basis of the PRC Accounting Standards for Business Enterprises and is unaudited. The Audit Committee of the Board has reviewed the interim financial report of the Company for the six months ended 30 June 2018 and had sufficient communication with the Company's management in the course of discharging their duties and proposed to the Board for the approval of the publication of the interim financial report for the six months ended 30 June 2018.

### 6.1 Financial Statement

#### 1. Consolidated Balance Sheet

At 30 June 2018

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current Assets:</b>		
Cash and bank balances	<b>708,100,725</b>	269,357,751
Held-for-trading financial assets	<b>275,677,344</b>	38,871,811
Notes receivable and accounts receivable	<b>280,093,402</b>	309,247,630
Prepayments	<b>18,030,499</b>	10,200,712
Other receivables	<b>129,970,291</b>	106,256,683
Inventories	<b>4,007,206,523</b>	3,010,805,685
Non-current assets due within one year	<b>–</b>	300,000,000
Other current assets	<b>82,780,031</b>	557,742,656
<b>Total Current Assets</b>	<b>5,501,858,815</b>	4,602,482,928

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current Assets:</b>		
Available-for-sale financial assets	–	2,329,877,191
Investments in other equity instruments	<b>2,942,620,000</b>	–
Other non-current financial assets	<b>763,563,085</b>	–
Long-term equity investment	<b>5,643,475,551</b>	5,123,326,114
Investment properties	<b>19,568,207</b>	20,019,608
Fixed assets	<b>1,670,864,191</b>	1,740,197,103
Construction in progress	<b>9,749,189,352</b>	8,294,639,339
Intangible assets	<b>19,328,719,575</b>	19,962,642,227
Long-term prepaid expenses	<b>1,271,047</b>	1,069,666
Deferred tax assets	<b>201,391,773</b>	258,020,384
Other non-current assets	<b>11,216,679</b>	200,216,678
<b>Total Non-current Assets</b>	<b>40,331,879,460</b>	37,930,008,310
<b>TOTAL ASSETS</b>	<b>45,833,738,275</b>	42,532,491,238
<b>Current Liabilities:</b>		
Short-term borrowings	<b>2,999,000,000</b>	3,599,000,000
Notes payable and accounts payable	<b>942,821,723</b>	921,349,151
Receipts in advance	–	840,007,370
Contract liabilities	<b>867,499,785</b>	–
Employee benefits payable	<b>2,963,503</b>	3,636,736
Taxes payable	<b>205,135,409</b>	275,210,217
Other payables	<b>1,607,857,413</b>	217,363,761
Non-current liabilities due within one year	<b>379,639,336</b>	623,841,375
Other current liabilities	<b>1,508,601,944</b>	2,243,200,002
<b>Total Current Liabilities</b>	<b>8,513,519,113</b>	8,723,608,612
Long-term borrowings	<b>4,893,473,689</b>	3,874,089,201
Bonds payable	<b>3,975,249,711</b>	3,970,157,835
Expected liabilities	<b>8,010,000</b>	8,010,000
Deferred income	<b>44,051,971</b>	33,638,147
Deferred tax liabilities	<b>377,762,312</b>	28,056,831
Other non-current liabilities		
<b>Total Non-current Liabilities</b>	<b>9,298,547,683</b>	7,913,952,014
<b>TOTAL LIABILITIES</b>	<b>17,812,066,796</b>	16,637,560,626

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Shareholders' Equity:</b>		
Share capital	<b>5,037,747,500</b>	5,037,747,500
Capital reserve	<b>10,428,388,235</b>	10,428,388,235
Less: Treasury shares	–	
Other comprehensive income	<b>1,510,550,167</b>	380,908,923
Surplus reserve	<b>3,273,492,299</b>	3,273,492,299
Retained profits	<b>4,671,280,171</b>	4,399,747,006
<b>Total shareholders' equity attributable to equity holders of the Company</b>	<b>24,921,458,372</b>	23,520,283,963
Minority interests	<b>3,100,213,107</b>	2,374,646,649
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>28,021,671,479</b>	25,894,930,612
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>45,833,738,275</b>	42,532,491,238

*Person in Charge of the*

<i>Legal Representative:</i>	<i>Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Gu Dejun</b>	<b>Sun Xibin</b>	<b>Ren Zhuohua</b>

## 2. Consolidated Income Statement

For the Period Ended 30 June 2018

	<i>Unit: RMB</i>	
Item	Amount for the current period	Amount for the prior period
<b>I. Total operating income</b>	<b>5,141,779,834</b>	4,669,035,065
Including: Operating income	<b>5,141,779,834</b>	4,669,035,065
<b>II. Total operating costs</b>	<b>2,714,073,589</b>	2,417,118,032
Including: Operating costs	<b>2,256,373,175</b>	2,071,770,067
Taxes and levies	<b>107,395,338</b>	45,218,867
Selling expenses	<b>11,592,289</b>	8,647,259
Administrative expenses	<b>85,500,282</b>	79,798,689
Financial expenses	<b>253,212,505</b>	211,683,150
Impairment losses of assets	-	-
Add: Gains from changes in fair values (losses are represented by “-”)	<b>-2,594,467</b>	2,543,880
Investment income (losses are represented by “-”)	<b>730,532,269</b>	291,449,163
Including: Income from investments in associates and joint ventures	<b>284,808,956</b>	217,692,115
Gains (losses) from disposal of assets (losses are represented by “-”)	<b>-215,505</b>	-1,578,917
Exchange gain (losses are represented by “-”)	-	-
Other income	<b>1,032,811</b>	922,484
<b>III. Operating profit (losses are represented by “-”)</b>	<b>3,156,461,353</b>	2,545,910,076
Add: Non-operating income	<b>9,282,569</b>	2,727,880
Less: Non-operating expenses	<b>15,029,125</b>	14,655,686

Item	Amount for the current period	Amount for the prior period
<b>IV. Total profit (total losses are represented by “-”)</b>	<b>3,150,714,797</b>	2,533,982,270
Less: Income tax expenses	<b>611,486,734</b>	580,981,311
<b>V. Net profit (net losses are represented by “-”)</b>	<b>2,539,228,063</b>	1,953,000,959
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operations (net losses are represented by “-”)	<b>2,539,228,063</b>	1,953,000,959
2. Net profit from discontinued operations (net losses are represented by “-”)	-	-
(II) Categorized by ownership:		
1. Net profit attributable to owners of the Company	<b>2,488,142,065</b>	1,899,660,185
2. Profit or loss attributable to minority interests	<b>51,085,998</b>	53,340,774
<b>VI. Other comprehensive income, net of tax</b>	<b>1,298,445,418</b>	-9,670,915
Other comprehensive income attributable to owners of the Company, net of tax	<b>1,129,641,244</b>	-9,670,915
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	<b>801,486,984</b>	-
1. Share of other comprehensive income of the investee that cannot be reclassified to profit or loss under the equity method		-
2. Changes in the fair value of investments in other equity instruments	<b>801,486,984</b>	-
(II) Other comprehensive income that will be reclassified to profit or loss	<b>328,154,260</b>	-9,670,915
1. Other comprehensive income convertible to profit or loss under the equity method	<b>328,154,260</b>	-9,670,915
2. Changes in the fair value of investments in other equity instruments		-

Item	Amount for the current period	Amount for the prior period
Other comprehensive income attributable to minority interests, net of tax	<b>168,804,174</b>	–
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes in the fair value of investments in other equity instruments	<b>168,804,174</b>	
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Changes in the fair value of investments in other equity instruments		–
<b>VII. Total comprehensive income:</b>	<b>3,837,673,481</b>	1,943,330,044
Total comprehensive income attributable to owners of the Company	<b>3,617,783,309</b>	1,889,989,270
Total comprehensive income attributable to minority interests	<b>219,890,172</b>	53,340,774
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)	<b>0.4939</b>	0.3771
(II) Diluted earnings per share (RMB/share)	N/A	N/A

*Person in Charge of the*

<i>Legal Representative:</i>	<i>Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Gu Dejun</b>	<b>Sun Xibin</b>	<b>Ren Zhuohua</b>

### 3. Consolidated Cash Flow Statement

For the Period Ended 30 June 2018

Item	<i>Unit: RMB</i>	
	Amount for the current period	Amount for the prior period
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	4,859,995,310	4,776,634,399
Other cash receipts relating to operating activities	89,814,612	107,827,215
Sub-total of cash inflows from operating activities	4,949,809,922	4,884,461,614
Cash payments for goods purchased and services received	952,677,534	1,133,449,908
Cash payments to and on behalf of employees	426,008,900	381,011,869
Payments of various types of taxes	820,832,908	744,260,886
Other cash payments relating to operating activities	87,501,473	52,392,216
Sub-total of cash outflows from operating activities	2,287,020,815	2,311,114,879
Net Cash Flow from Operating Activities	2,662,789,107	2,573,346,735
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	2,670,700,000	2,471,903,747
Cash receipts from investment income	148,155,465	150,439,334
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	57,725,610	49,928
Other cash receipts relating to investing activities	430,771,364	–
Sub-total of cash inflows from investing activities	3,307,352,439	2,622,393,009
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,330,219,781	2,205,521,753
Cash payments to acquire investments	2,507,904,350	3,049,896,263
Other cash payments relating to investing activities	480,000,000	120,000,000
Sub-total of cash outflows from investing activities	4,318,124,131	5,375,418,016
Net Cash Flow used in Investing Activities	-1,010,771,692	-2,753,025,007



Item	Amount for the current period	Amount for the prior period
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	<b>520,768,164</b>	984,437,120
Including: cash receipts from capital contributions from minority owners of subsidiaries	<b>520,768,164</b>	984,437,120
Cash receipts from borrowings	<b>3,951,000,000</b>	2,315,000,000
Cash receipts from issue of bonds	<b>1,498,986,400</b>	2,797,234,748
Other cash receipts relating to financing activities	-	-
Sub-total of cash inflows from financing activities	<b>5,970,754,564</b>	6,096,671,868
Cash repayments of borrowings	<b>5,977,528,802</b>	5,640,860,251
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>1,184,440,069</b>	204,094,128
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	-	-
Other cash payments relating to financing activities	<b>19,016,321</b>	579,293
Sub-total of cash outflows from financing activities	<b>7,180,985,192</b>	5,845,533,672
Net Cash Flow used in Financing Activities	<b>-1,210,230,628</b>	251,138,196
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>V. Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>441,786,787</b>	71,459,924
Add: Opening balance of Cash and Cash Equivalents	<b>262,758,700</b>	194,272,978
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	<b>704,545,487</b>	265,732,902

*Person in Charge of the*

<i>Legal Representative:</i>	<i>Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Gu Dejun</b>	<b>Sun Xibin</b>	<b>Ren Zhuohua</b>

## 6.2 Notes to the financial statements

### 1. Operating income and operating costs

Unit: RMB

Item	Amount recognized in the current period		Amount recognized in the last period	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	4,311,955,966	1,760,396,113	4,250,598,939	1,834,134,788
Including: Shanghai-Nanjing Expressway	2,425,343,255	645,318,177	2,308,365,296	565,809,336
Nanjing-Lianyungang Highway	12,014,124	2,103,673	16,452,359	10,163,554
Guangjing Expressway and Xicheng Expressway	425,941,644	108,289,749	415,146,323	105,249,234
Ningchang Expressway and Zhenli Expressway	562,154,981	264,516,223	505,684,856	260,487,447
Xiyi Expressway and Wuxi Huantaihu Expressway	168,032,090	81,741,605	156,769,346	74,594,246
Ancillary services	718,469,872	658,426,686	848,180,759	817,830,971
Real estate development	797,719,861	485,055,076	386,787,528	226,972,213
Advertising and others	32,104,007	10,921,986	31,648,598	10,663,066
Total	<u>5,141,779,834</u>	<u>2,256,373,175</u>	<u>4,669,035,065</u>	<u>2,071,770,067</u>

### 2. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	239,697,636	208,360,927
Interest income	(3,481,804)	(2,598,542)
Exchange differences	208,618	(440,093)
Bond issue fee and other loan charges	15,234,412	3,396,644
Others	1,553,643	2,964,214
Total	<u>253,212,505</u>	<u>211,683,150</u>

### 3. *Investment income*

<b>Item</b>	<i>Unit: RMB</i>	
	<b>Amount incurred in the current period</b>	<b>Amount incurred in the prior period</b>
Income from long-term equity investments under equity method	<b>284,808,956</b>	217,692,115
Investment income (loss) from disposal of held-for-trading financial assets	<b>(275,451)</b>	(123,106)
Investment income from other equity investments in the holding period	<b>28,080,000</b>	54,320,000
Investment income from disposal of other equity investments	<b>4,195,261</b>	5,418,097
Interest income from loans	<b>2,598,900</b>	14,142,057
Other investment income	<b>411,124,603</b>	–
<b>Total</b>	<b><u>730,532,269</u></b>	<b><u>291,449,163</u></b>

*Note:* Other investment income mainly includes gains from evaluation appreciation of approximately RMB430,500,000 recognized by a shortfall between fair value and carrying amount arising from that the Company combined Hanwei Company in accordance with the standards for business combination involving enterprises not under common control and the Company measured the equity interest in Hanwei Company before the acquisition date at fair value on the acquisition date.

### 4. *Income tax expenses*

<b>Item</b>	<i>Unit: RMB</i>	
	<b>Amount incurred in the current period</b>	<b>Amount incurred in the prior period</b>
Current tax expenses	<b>544,637,113</b>	501,283,235
Deferred tax expenses	<b>75,470,993</b>	79,698,076
Provision of prior years' tax	<b>(8,621,372)</b>	–
<b>Total</b>	<b><u>611,486,734</u></b>	<b><u>580,981,311</u></b>

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

## 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.

Profit for the reporting period	Weighted average return on net assets (%)	EPS (RMB)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	9.82	0.4939	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	8.22	0.4097	N/A
Profit for the corresponding period of last year	Weighted average return on net assets (%)	EPS (RMB)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	8.20	0.3771	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	8.17	0.3756	N/A

Dividends per share: In the Reporting Period, the Board of the Company has recommended not to distribute any interim dividend for the six months ended 30 June 2018 (for the corresponding period in 2017: nil), and there is no plan to convert surplus reserves into share capital.

**6. Supplementary information of income statement**

*Unit: RMB*

<b>Item</b>	<b>Amount incurred in the current period</b>	<b>Amount incurred in the prior period</b>
Employee benefits	<b>431,654,895</b>	379,637,146
Depreciation and amortization	<b>730,364,002</b>	720,279,419
Toll related expenses	<b>54,502,098</b>	51,574,945
Road maintenance expenses	<b>74,649,840</b>	36,612,385
System maintenance expenses	<b>15,013,036</b>	8,035,227
Real estate development land and construction cost	<b>485,055,076</b>	226,972,213
Petroleum in the service zone	<b>497,608,618</b>	678,118,626
Retail goods in the service zone	<b>6,404,266</b>	12,195,403
Catering cost in the service zone	<b>10,972,229</b>	17,500,801
Audit fee	–	–
Consulting and intermediary service fee	<b>1,414,487</b>	1,552,404
Commission fee for agent of real estate sales	<b>4,712,750</b>	4,934,105
Advertisement fee	<b>4,235,127</b>	3,559,406
Others	<b>36,879,322</b>	19,243,935
<b>Total</b>	<b><u><u>2,353,465,746</u></u></b>	<b><u><u>2,160,216,015</u></u></b>

## 7. Ageing analysis of accounts receivable and accounts payable

### (1) Notes receivable and accounts receivable

Unit: RMB

Item	Note	Closing balance	Opening balance
Notes receivable	(1)	998,409	2,880,000
Accounts receivable	(2)	<u>279,094,993</u>	<u>306,367,630</u>
Total		<u><u>280,093,402</u></u>	<u><u>309,247,630</u></u>

### (1) Notes receivable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance notes	<u>998,409</u>	<u>2,880,000</u>

(2) The following is an aging analysis of accounts receivable presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

Unit: RMB

Aging	Closing balance				Opening balance			
	Amount	Proportion (%)	Bad debt provision	Net book value	Amount	Proportion (%)	Bad debt provision	Net book value
Within 1 year	278,990,547	99	156,639	278,833,908	306,263,184	99	156,639	306,106,545
More than 1 year but not exceed 2 years	266,413	-	5,328	261,085	266,413	-	5,328	261,085
More than 2 years but not exceed 3 years	-	-	-	-	-	-	-	-
More than 3 years	<u>1,699,980</u>	<u>1</u>	<u>1,699,980</u>	<u>-</u>	<u>1,699,980</u>	<u>1</u>	<u>1,699,980</u>	<u>-</u>
Total	<u><u>280,956,940</u></u>	<u><u>100</u></u>	<u><u>1,861,947</u></u>	<u><u>279,094,993</u></u>	<u><u>308,229,577</u></u>	<u><u>100</u></u>	<u><u>1,861,947</u></u>	<u><u>306,367,630</u></u>

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

*Unit: RMB*

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	17,928,499	99	9,793,248	96
More than 1 year but not exceed 2 years	-	-	305,464	3
More than 2 years but not exceed 3 years	10,000	-	10,000	-
More than 3 years	92,000	1	92,000	1
Total	<u>18,030,499</u>	<u>100</u>	<u>10,200,712</u>	<u>100</u>

(3) *Disclosure of other receivables by nature:*

*Unit: RMB*

Nature of other receivables	Closing balance	Opening balance
Interests receivable	-	80,231,500
Dividends receivable	86,533,600	4,989,960
Amounts of investment clearance	15,812,140	15,812,140
Petty cash	5,981,845	5,157,559
Maintenance funds from owners	4,800,941	4,811,123
Mortgage security for provident fund loans	4,367,500	4,252,500
Highway property compensation	790,000	
Mortgage security for equity transfer of Shenzhen Ruijin Co., Ltd.	408,710	
Amount of engineering premium	11,024,347	
Compensations for accidents on behalf of others	2,807,485	
Rents	2,117,014	
Other insignificant amounts	11,253,237	6,928,429
Total	<u>145,896,819</u>	<u>122,183,211</u>

(4) The following is an aging analysis of trade payables presented based on the invoice date:

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Within 1 year	<b>531,732,118</b>	636,901,076
More than 1 year but not exceed 2 years	<b>370,678,706</b>	232,454,423
More than 2 years but not exceed 3 years	<b>20,328,673</b>	30,112,412
More than 3 years	<b>20,082,226</b>	21,881,240
<b>Total</b>	<b><u>942,821,723</u></b>	<b><u>921,349,151</u></b>

Accounts payable:

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Construction payable	<b>412,257,324</b>	353,411,380
Construction payable for real estate project	<b>372,849,488</b>	394,077,716
Purchase of petroleum payable	<b>2,213,253</b>	40,425,661
Toll road fee payable	<b>37,954,707</b>	49,968,715
Deposit payable for rent	<b>54,994,276</b>	36,358,086
Others	<b>62,552,675</b>	47,107,593
<b>Total</b>	<b><u>942,821,723</u></b>	<b><u>921,349,151</u></b>



(5) Presentation of receipts in advance by nature

Unit: RMB

Item	Closing balance	Opening balance
Rent received in advance	–	16,787,613
Advertising service fee received in advance	–	13,422,192
Income from properties for sales received in advance	–	808,174,464
Compensation received in advance	–	–
Maintenance expenses received in advance	–	–
Others	–	1,623,101
Total	<u>–</u>	<u>840,007,370</u>

The aging analysis of receipts in advance is as follows:

Unit: RMB

Aging	Closing balance		Opening balance	
	Unit: RMB	%	Unit: RMB	%
Within 1 year	–	–	149,557,099	18
More than 1 year but not exceed 2 years	–	–	531,702,143	63
More than 2 years but not exceeding 3 years	–	–	158,668,128	19
More than 3 years	–	–	80,000	–
Total	<u>–</u>	<u>–</u>	<u>840,007,370</u>	<u>100</u>

(6) *Contract liability*

Presentation of contract liability

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Rent received in advance	<b>58,231,828</b>	–
Advertising service fee received in advance	<b>13,892,278</b>	–
Income from properties for sales received in advance	<b>732,615,539</b>	–
Compensation received in advance	<b>54,930,000</b>	–
Maintenance expenses received in advance	<b>2,770,000</b>	–
Others	<b>5,060,140</b>	–
<b>Total</b>	<b><u>867,499,785</u></b>	<b><u>–</u></b>

*Note:* Pursuant to the Accounting Standards for Business Enterprises No. 14 Revenue, the Group transferred all kinds of receipts in advance to contract liabilities.

The aging analysis of contract liabilities is as follows:

*Unit: RMB*

<b>Aging</b>	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>RMB</b>	<b>%</b>	<b>RMB</b>	<b>%</b>
Within 1 year	<b>867,413,085</b>	<b>100</b>	–	–
More than 1 year but not exceed 2 years	<b>6,700</b>	–	–	–
More than 2 years but not exceed 3 years	–	–	–	–
More than 3 years	<b>80,000</b>	–	–	–
<b>Total</b>	<b><u>867,499,785</u></b>	<b><u>100</u></b>	<b><u>–</u></b>	<b><u>–</u></b>

(7) *Presentation of other payables by nature are as follows*

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Interest payable	<b>122,388,637</b>	99,326,055
Dividends payable	<b>1,426,084,094</b>	81,117,999
Payables of daily procurement in service area	<b>4,965,834</b>	8,932,215
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	<b>60,460</b>	2,189,250
Construction quality warrantee fee payable	<b>5,043,442</b>	3,113,346
Earnest money of acquisition of properties	<b>3,353,004</b>	4,708,004
Mortgage security for operation performance	<b>10,000,000</b>	–
Commission for acquiring real estate certificate on behalf of others	<b>14,781,504</b>	693,503
Others	<b>21,180,438</b>	17,283,389
Total	<b><u>1,607,857,413</u></b>	<b><u>217,363,761</u></b>

**8. *Other current liabilities***

*Unit: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Super short-term bonds payable	<b><u>1,508,601,944</u></b>	<u>2,243,200,002</u>
Total	<b><u>1,508,601,944</u></b>	<b><u>2,243,200,002</u></b>

**9. *Credit policy***

In order to minimize the credit risk, the Group has controlled credit limits, made credit approvals and implemented other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date and makes adequate impairment losses. In this regard, the management of the Group considers that the Group's credit risk was relatively low.

## **10. Contingencies**

Ninghu Properties and Hanwei Company, subsidiaries of the Company implement the operating practice of real estate that the obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to bank. As at 30 June 2018, the outstanding guarantees amounted to approximately RMB2,263,120,000 (31 December 2017: RMB893,282,000).

## **11. Pledged assets**

A subsidiary of the Company, Guangjing Xicheng Company, has merged with and acquired Xiyi Company and undertaken the original loan of Xiyi Company, of which the original loan in a sum of RMB200,000,000 was obtained from Wuxi branch of Bank of China for the construction of Wuxi Huantaihu Expressway project. The bank loan was guaranteed by the parent company namely Communications Holding and it was secured by the pledge of the toll road concession rights of Xiyi Expressway. This loan was further secured by the pledge of the toll road concession rights of Wuxi Huantaihu Expressway in June 2008. As at the end of the Reporting Period, RMB182,000,000 has been repaid in aggregate and the balance of the loan was RMB18,000,000.

A subsidiary of the Company, Guangjing Xicheng Company, entered into a loan contract of RMB1,200,000,000 with Industrial and Commercial Bank of China, Wuxi branch. The aforesaid loans are secured by the operation right of Guangjing Expressway. As at the end of the Reporting Period, the balance of the loan was 50,000,000.

## **12. 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 (2017:12 segments) 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 Bridge Expressway, Changyi Expressway, 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

Item	Xiyi										Unallocated items	Inter-segment elimination	Total
	Shanghai-Nanjing Expressway	Nanjing-Lianyungang Highway	Guangdong Expressway and Xicheng Expressway	Guangdong Expressway and Wuxi Huantaihu Expressway	Ningdong Expressway and Zhenli Expressway	Zhendao Expressway	Wufengshan Toll Bridge	Changji Expressway	Yichang Expressway	Ancillary services			
Operating income	2,425,343,255	12,014,124	425,941,644	168,032,090	562,154,981	-	-	-	-	718,469,872	797,719,861	32,104,007	5,141,779,834
Operating costs	645,318,177	2,103,673	108,289,750	81,741,605	264,516,223	-	-	-	-	658,426,686	485,055,076	10,921,985	2,256,373,175
Including: Amortization of toll roads operation rights	289,103,915		55,077,776	48,741,009	198,521,027	-	-	-	-	-	-	-	591,443,727
Costs of petrol and other goods sold in service zones						-	-	-	-	504,012,884	-	-	504,012,884
Segment operating profit (loss)	1,780,025,078	9,910,451	317,651,894	86,290,485	297,638,758	-	-	-	-	60,043,186	312,664,785	21,182,022	2,885,406,659
Reconciling items:													
Business taxes and levies	8,731,236	43,250	1,533,390	604,916	2,023,757	8,500	-	87,805	-	11,064,436	76,157,564	1,262,216	107,395,338
Selling expenses						-	-	-	-	-	11,262,575	329,714	11,592,289
Administrative expenses	36,545,126					-	-	-	-	-	-	-	36,545,126
Financial expenses						-	-	-	-	-	-	-	-
Impairment loss of assets						-	-	-	-	-	-	-	-
Gains from changes in fair values						-	-	-	-	-	-	-	-
Investment income						-	-	-	-	-	-	-	-
Other income					1,032,811	-	-	-	-	-	-	-	1,032,811
Gains or losses from disposal of assets						-	-	-	-	-	-	-	-
Operating profit	1,734,748,716	9,867,201	316,118,504	85,685,569	296,647,812	(8,500)	(58,525)	(87,805)	48,978,750	225,244,646	19,590,092	(215,505)	3,156,461,353
Non-operating income						-	-	-	-	-	-	9,282,569	9,282,569
Non-operating expenses						-	-	-	-	-	-	15,029,125	15,029,125
Total profit	1,734,748,716	9,867,201	316,118,504	85,685,569	296,647,812	(8,500)	(58,525)	(87,805)	48,978,750	225,244,646	19,590,092	(215,505)	3,156,461,353
Income tax expenses						-	-	-	-	-	-	-	-
Net profit	1,734,748,716	9,867,201	316,118,504	85,685,569	296,647,812	(8,500)	(58,525)	(87,805)	48,978,750	225,244,646	19,590,092	(197,498,397)	2,539,228,063
Total segment assets	11,112,786,899	50,000,000	1,148,366,147	2,001,444,091	5,844,208,817	1,577,510,615	5,417,725,590	2,002,460,311	289,854,740	4,287,943,063	912,761,847	9,368,307,606	45,833,738,275

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 purpose of assessment of segment performance and resource allocation, all assets are allocated to each segment except other investment in equity instruments, long-term equity investments, held-for-trading financial assets, cash and bank balances etc.

### **13. Events After The Balance Sheet Date**

On 4 June 2018, as reviewed and approved by the 25th session of the Company's eighth meeting of the Board, the Company, Communications Holding, Jinghu Company, East Operation and Management Company and East Road & Bridge Company jointly invested RMB200,000,000 to establish Jiangsu Communications Culture and Media Co., Ltd. The Company planned to invest RMB60,000,000, accounting for 30% equity interest. Establishment of the Media Company is favorable to unified management of communications media resources in Jiangsu Province and further discover and improve values of expressway advertisement resources and improve the Company's social image. As at the issuance date of this report, the Company has invested RMB24,000,000.

## **6.3 Financial statement related matter**

### **6.3.1 Compared with the financial statements for the previous year, the Company should provide explanation, reason and its impact for changes in accounting policy and accounting estimation.**

Applicable       Not applicable

With effect from 1 January 2018, the Group adopted the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Cai Kuai [2017] No. 7), Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets (Cai Kuai [2017] No. 8), Accounting Standards for Business Enterprises No. 24 – Hedge Accounting (Cai Kuai [2017] No. 9), Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (Cai Kuai [2017] No. 14) and Accounting Standards for Business Enterprises No. 14 – Revenue (Cai Kuai [2017] No. 22). In addition, the financial statements of the Group during the Reporting Period were prepared in accordance with the Circular on the Revision and Publication of the Format of the Financial Statements of General Enterprises for 2018 (Cai Kuai [2018] No. 15) issued by the Ministry of Finance on 15 June 2018 and presentation of comparative data was adjusted accordingly.

The decision-making process in respect of these changes in accounting policies is in compliance with the relevant laws, regulations and the provisions of the Articles of Association without any prejudice to the interests of the Company and its shareholders, especially the interests of minority shareholders.

**6.3.2 Compared with the financial statements for the previous year, the Company should provide specific explanation for changes of consolidation scope of financial statements.**

Applicable       Not applicable

In accordance with the Company's decision made at the 22nd meeting of the eighth session of the Board on 19 March 2018, the Company acquired 30% equity of the joint venture, Hanwei Company, for RMB184,499,800. After the acquisition, Hanwei Company became the Company's wholly-owned subsidiary. Hanwei Company completed relevant procedures for the changes in business registration and other related formalities 12 April 2018. Taking 12 April 2018 as the acquisition date, the Company merged with Hanwei Company according to relevant standards regarding the combination of enterprises not under common control.

**6.3.3 During the Reporting Period, the Company should provide explanation, correction amount, reason and its impact for correction of material accounting error which required retroactive restatement.**

Applicable       Not applicable



## DEFINITIONS

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

### Definitions of commonly used terms

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, 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	Jiangsu 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. (江蘇潤揚大橋發展有限責任公司)
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)
Media Company	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)

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)
Taixing Oil Products Company	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Orient Operation Company	Jiangsu Orient Expressway Operation and Management Company Limited (江蘇東方高速公路經營管理有限公司)
Orient Road & Bridge Company	Jiangsu Orient Road & Bridge Construction and Maintenance Company Limited (江蘇東方路橋建設養護有限公司)
Highway Bureau	Highway Bureau of Transportation Department of Jiangsu Province (江蘇省交通運輸廳公路局)
Expressway Management Center	Expressway Operation and Management Center Department of Jiangsu Province (江蘇省高速公路經營管理中心)
Liuhe District Government	the People's Government of Liuhe District, Nanjing (南京市六合區人民政府)
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 Co., Ltd. (江蘇蘇通大橋有限公司)
Fuanda Fund	Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司)
CDB Kai Yuan Phase II Fund	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)
Hanrui Center	Plot No. 2 Complex Project located in the central business district of new city in the south of Nanjing
Jiangsu Leasing	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
Nanjing-Lianyungang Highway	Nanjing Section of Nanjing-Lianyungang Highway
Panjiahuayuan Toll Station	Panjiahuayuan Toll Station of Nanjing Section of Nanjing-Lianyungang Highway
Guangjing Expressway	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	Jiangyin Yangtze Bridge

Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-Changzhou North Interchange Expressway
Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Wuxi North Hub-Yixing Xiwu 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 Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Reporting Period	the period of six months from 1 January 2018 to 30 June 2018
Year-on-year	as compared with the same period in 2017
CSRC	the China Securities Regulatory Commission
SFC	the Securities and Futures Commission of Hong Kong
SSE	the 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 I depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	the Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	accounting standards for business enterprises and relevant provisions promulgated by Ministry of Finance of the People's Republic of China
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

**Jiangsu Expressway Company Limited**  
*Chairman of the Board: Gu Dejun*

Nanjing, the PRC, 24 August 2018

*As at the date of this announcement, the Directors of the Company are: Gu Dejun, Chen Yanli, Chen Yongbing, Yao Yong jia, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Zhuting\*, Chen Liang \*, Lin Hui \*, Zhou Shudong\**

*\* Independent Non-executive Directors of the Company*