



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)



2018

The First Quarterly Report

I. IMPORTANT NOTICE

1.1 The board of directors and the supervisory committee of the Company together with its directors, supervisors and senior management warrant that the contents of this quarterly report are true, accurate and complete and that there are no false representations, misleading statements contained in, or material omissions from, this quarterly report, and they severally and jointly accept responsibility in respect thereof.

1.2 Absent directors

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

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

1.4 The first quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease as at the end of the Reporting Period compared to the end of the previous year (%)
Total assets	45,333,697,213	42,532,491,238	6.59
Net assets attributable to shareholders of the Company	25,823,459,096	23,520,283,963	9.79
	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flow generated from operating activities	1,204,204,675	1,273,304,540	-5.43

II. BASIC INFORMATION OF THE COMPANY

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Increase/decrease compared to the corresponding period of the previous year (%)
Operating revenue	2,822,575,100	2,295,677,347	22.95
Net profit attributable to shareholders of the Company	1,017,133,454	878,672,948	15.76
Net profit attributable to shareholders of the Company net of non-recurring profit or loss	1,017,764,735	874,192,406	16.42
Weighted average return on net assets (%)	4.16	3.88	Increased by 0.28 percentage point
Basic earnings per share (<i>RMB per share</i>)	0.2019	0.1744	15.77

II. BASIC INFORMATION OF THE COMPANY

Items and amounts of non-recurring profit/loss

Applicable Not Applicable

Unit: yuan Currency: RMB

Item	Amount for the Reporting Period	Explanation
Gain or loss from disposal of non-current assets	-69,626	
Tax refund, reduction and exemptions pursuant to an ultra vires approval or not supported by any official document or on contingency		
Government grants included in profit or loss of the period (excluding those that are closely related to the ordinary operations of the Company and granted in compliance with national policies and regulations or subject to fixed amounts under certain standards)	524,464	Compensation for construction of Ningchang Expressway recognized during the Reporting Period.
Profit or loss from changes in fair values of financial assets held for trading and financial liabilities held for trading, and investment gains from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, excluding effective hedging activities related to ordinary business operations of the Company	1,451,584	
Non-operating income and expenses other than the above items	-5,194,676	
Other profit/loss items falling within the definition of non-recurring profit and loss	2,406,596	Income received during the Reporting Period from the loans provided by the Group to Hanwei Company, a joint venture.
Effects attributable to minority interests (after tax)	29,963	
Effects of income tax	220,414	
Total	-631,281	

II. BASIC INFORMATION OF THE COMPANY

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

Unit: Share

Total number of shareholders
(including 425 holders of H shares) 23,913

Shareholdings of top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading restrictions	Shares pledged or frozen		Type of shareholders
				Status of shares	Number of shares	
Jiangsu Communications Holding Company Limited	2,742,578,825	54.44	0	Nil	0	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd.	589,059,077	11.69	0	Nil	0	State-owned legal person
Commonwealth Bank of Australia	146,397,300	2.91	0	Unknown	0	Foreign legal person
BlackRock, Inc.	121,344,131	2.41	0	Unknown	0	Foreign legal person
JPMorgan Chase & Co.	73,217,693	1.45	0	Unknown	0	Foreign legal person
Guotai Junan Securities Co., Ltd.	71,379,539	1.42	0	Unknown	0	Others
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	0.42	0	Unknown	0	Others
National Social Security Fund - Portfolio Six	9,773,895	0.19	0	Unknown	0	Others
Cathay Life Insurance Co. Ltd. - Self-owned Funds	9,553,937	0.19	0	Unknown	0	Others
China Life Insurance Co., Ltd. (Taiwan) - Self-owned Funds	8,132,859	0.16	0	Unknown	0	Others

II. BASIC INFORMATION OF THE COMPANY

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

Name of shareholder	Number of circulating shares held not subject to trading restriction	Type and number of shares	
		Type	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holdings Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
Commonwealth Bank of Australia	146,397,300	Oversea-listed foreign shares	146,397,300
BlackRock, Inc.	121,344,131	Oversea-listed foreign shares	121,344,131
JPMorgan Chase & Co.	73,217,693	Oversea-listed foreign shares	73,217,693
Guotai Junan Securities Co., Ltd.	71,379,539	RMB-denominated ordinary shares	71,379,539
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
National Social Security Fund – Portfolio Six	9,773,895	RMB-denominated ordinary shares	9,773,895
Cathay Life Insurance Co. Ltd. – Self-owned Funds	9,553,937	RMB-denominated ordinary shares	9,553,937
China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds	8,132,859	RMB-denominated ordinary shares	8,132,859

Explanation on the related party relationship or acting-in-concert arrangement with respect to the above shareholders

- (1) The Company is not aware of the existence of related party/connected relationship or acting-in-concert arrangement with respect to the above shareholders.
- (2) During the Reporting Period, there were no related/connected parties, strategic investors or ordinary legal persons of the Company becoming the top ten shareholders of the Company because of placing of new shares.
- (3) The number of shares held by H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Explanation on preference shareholders with voting rights restored and their shareholdings

Nil

II. BASIC INFORMATION OF THE COMPANY

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

Applicable

Not Applicable

III. SIGNIFICANT EVENTS

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

Applicable Not Applicable

1. Business Progress

During the Reporting Period, the Company and its subsidiaries (collectively known as the "Group") derived operating revenue of approximately RMB2,822,575,000 in total from business operations, representing an increase of approximately 22.95% as compared to the corresponding period of 2017.

In particular, toll revenue generated from the principal business amounted to approximately RMB1,720,885,000, representing an increase of approximately 2.66% as compared to the corresponding period of 2017. During the Reporting Period, the average daily traffic volume of Shanghai-Nanjing Expressway was 97,970 vehicles, up by approximately 3.98% year-on-year, of which the average daily traffic volume of passenger vehicles was 79,799 vehicles, up by approximately 5.02% year-on-year, while the average daily traffic volume of trucks was 18,171 vehicles, down by approximately 0.33% year-on-year. Due to the impact of the snow and adverse weather at the beginning of 2018, the year-on-year growth of traffic volume of passenger vehicles slowed down slightly in the first quarter of 2018, while the traffic volume of trucks slightly dropped year-on-year. During the Reporting Period, the average daily toll revenue derived from Shanghai-Nanjing Expressway was approximately RMB13,024,330, representing a year-on-year increase of approximately 1.45%.

III. SIGNIFICANT EVENTS

During the Reporting Period, the majority of other road and bridge projects operated by the Group continued to maintain a stable growth in terms of traffic volume. The traffic volume of the Nanjing section of Nanjing-Lianyungang Highway has been gradually shifting back to the neighboring highway which had finished overhaul; Guangjing Expressway recorded decreases in both traffic volume of trucks and toll revenue as the adjoining Jiangguang Expressway underwent expansion and restricted the passage of trucks, which in turn negatively affected the traffic volumes of trucks of Jiangyin Yangtze Bridge and Xicheng Expressway to a certain extent.

Data of average daily traffic volume and average daily toll revenue of road and bridge projects from January to March 2018

Road/Bridge Project	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	Corresponding			Corresponding		
	January– March	period of the previous year	Increase/ Decrease (%)	January– March	period of the previous year	Increase/ decrease (%)
Shanghai-Nanjing Expressway	97,970	94,218	3.98	13,024.33	12,837.76	1.45
Nanjing Section of Nanjing-Lianyungang Highway	4,968	5,839	-14.90	77.89	86.12	-9.56
Guangjing Expressway	70,768	70,515	0.36	736.86	790.18	-6.75
Xicheng Expressway	78,299	75,853	3.22	1,483.51	1,456.64	1.84
Jiangyin Yangtze Bridge	87,781	85,544	2.62	2,909.45	2,873.45	1.25
Sujiahang Expressway	63,132	58,752	7.45	2,989.49	2,796.49	6.90
Ningchang Expressway	46,092	41,111	12.12	2,285.87	2,064.85	10.70
Zhenli Expressway	13,675	11,498	18.94	656.62	591.29	11.05
Xiyi Expressway	20,207	19,468	3.80	775.18	725.95	6.78
Wuxi Huantaihu Expressway	8,082	7,579	6.64	80.69	72.88	10.72
Changjia Expressway	14,474	10,939	32.32	375.04	196.10	91.25

III. SIGNIFICANT EVENTS

During the Reporting Period, the Company realized a revenue of approximately RMB349,342,000 from the ancillary business, representing a decrease of approximately 17.63% as compared to the corresponding period of last year, which was mainly due to the year-on-year decrease in the sales volume of oil products. On the other hand, purchase contracts for oil products newly signed in 2018 further drove up profit margins, and gross margin of the business of oil products for the Reporting Period increased by approximately 6.68 percentage points year-on-year, leading to a year-on-year increase of approximately 3.11 percentage points in the gross margin of ancillary services and business. During the Reporting Period, the development and sales of the property projects proceeded orderly, which generated revenue from pre-sale in a sum of approximately RMB51,162,000; as more projects have been delivered during the Reporting Period as compared to the corresponding period of last year, operating revenue recognized for the real estate business was approximately RMB737,115,000, representing a sharp year-on-year increase of approximately 311.86%, which was mainly due to the delivery of Suzhou Nanmen Shijia Project; revenue realized from advertising and other businesses amounted to approximately RMB15,233,000 in total, representing a year-on-year decrease of approximately 6.41%.

According to the PRC Accounting Standards, the Group realized operating profit of approximately RMB1,360,907,000 for the Reporting Period. Net profit attributable to the shareholders of the Company amounted to approximately RMB1,017,133,000; and earnings per share amounted to approximately RMB0.2019, representing a year-on-year increase of approximately 15.77%.

III. SIGNIFICANT EVENTS

2. Changes in the financial indicators

Reasons for material changes in balance sheet items as at 31 march 2018

Unit: yuan Currency: RMB

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reasons of changes
Bills receivable	1,600,000	2,880,000	-44.44	Mainly due to the 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.
Prepayments	194,626,510	10,200,712	1,807.97	Mainly due to prepayment for acquisition of the equity interest in Hanwei Company during the Reporting Period.
Interest receivable	6,792,500	80,231,500	-91.53	Mainly due to the payment of the interest accrued on the shareholders' loan by Hanwei Company during the Reporting Period.
Non-current assets due within one year	0	300,000,000	-100	Mainly due to the repayment of the shareholders' loan by Hanwei Company during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reasons of changes
Financial assets at fair value through other comprehensive income	4,453,483,085	2,306,957,191	93.05	Mainly due to the increase in the book value of the available-for-sale financial assets recognized at fair value as a result of the financial leasing company partially owned by Guangjing Xicheng Company (a subsidiary of the Company) going public on the A-share market during the Reporting Period; and the increase in the investment in the CDB Kai Yuan Phase II Fund held by Ninghu Investment (a subsidiary of the Company) as compared with that at the beginning of the period.
Other non-current assets	611,216,678	200,216,678	205.28	Mainly due to an addition of entrusted loans in a sum of RMB480 million granted by the Group to Hanwei Company during the Reporting Period.
Receipts in advance	165,717,019	840,007,370	-80.27	Mainly due to the transfer of presale income to operating revenue upon delivery of certain property projects of Ninghu Properties (a subsidiary of the Company) during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reasons of changes
Interest payable	156,808,047	99,326,055	57.87	Mainly due to the increase in the interest payable on mid-term notes at the end of the Reporting Period.
Other payables	59,017,926	36,919,707	59.85	Mainly due to the increase in the fees received for obtaining relevant certificates for customers following the delivery of the property units of Ninghu Properties (a subsidiary of the Company) during the Reporting Period.
Other current liabilities	1,226,350,000	2,243,200,002	-45.33	Mainly due to the redemption of ultra-short-term notes upon maturity during the Reporting Period.
Long-term borrowings	4,963,340,331	3,874,089,201	28.12	Mainly due to the increase in loans for the construction of toll road and bridge projects under construction during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reasons of changes
Deferred income tax liabilities	538,418,258	28,056,831	1,819.03	Mainly due to the adjustments to other comprehensive income and the corresponding adjustments to deferred income tax liabilities based on the fair value of the equity interest held by Guangjing Xicheng Company (a subsidiary of the Company) in a financial leasing company which went public on the A-share market during the Reporting Period.
Deferred income	44,560,318	33,638,147	32.47	Mainly due to the unrealized profits of Hanwei Company that were recognized by the Company during the Reporting Period.
Other comprehensive income	1,666,950,602	380,908,923	337.62	Mainly due to the adjustment to other comprehensive income based on the fair value of the equity interest held by Guangjing Xicheng Company (a subsidiary of the Company) in a financial leasing company which went public on the A-share market during the Reporting Period.

III. SIGNIFICANT EVENTS

Reasons for material changes in income statement items during the Reporting Period

Unit: yuan Currency: RMB

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reasons of changes
Operating revenue	2,822,575,100	2,295,677,347	22.95	Mainly due to the year-on-year increase in sales revenue carried forward from property business as a result of the increase in the number of property units delivered by Ninghu Properties (a subsidiary of the Company) during the Reporting Period as compared to the corresponding period of last year.
Operating costs	1,298,214,043	1,044,912,645	24.24	Mainly due to the year-on-year increase in the costs of the property business as a result of the increases in the number of property units delivered and the revenue recognized by Ninghu Properties (a subsidiary of the Company) during the Reporting Period as compared to the corresponding period of last year.

III. SIGNIFICANT EVENTS

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reasons of changes
Taxes and surcharges	84,225,721	23,247,966	262.29	Mainly due to the concentrated delivery of the property units of Ninghu Properties (a subsidiary of the Company), the fact that the majority of the sales revenue recognized upon delivery occurred before replacement of business tax with value-added tax, and the tax provision made for advance settlement of land appreciation tax.
Selling expenses	2,500,645	1,790,400	39.67	Mainly due to the year-on-year increase in the presale commission for the property business of Ninghu Properties (a subsidiary of the Company) during the Reporting Period.
Gains from changes in fair value	424,161	1,862,340	-77.22	Mainly due to the decrease in fair value of the held-for-trading financial assets held by Ninghu Investment (a subsidiary of the Company) during the Reporting Period.
Gains from disposal of assets	-69,626	-348,161	-80	Mainly due to the year-on-year decrease in losses from disposal of assets, please refer to Note 2 for details.

III. SIGNIFICANT EVENTS

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reasons of changes
Other income	524,464	0	-	See Note 1
Non-operating income	82,113	580,068	-85.84	See Note 1
Other comprehensive income, net of tax	1,515,656,602	-12,463,550	-	Mainly due to an increase in other comprehensive income as a result of the increase in fair value of the equity interest held by Guangjing Xicheng Company (a subsidiary of the Company) in a financial leasing company which went public on the A-share market during the Reporting Period.

Note 1: The Company adopted prospective approach to account for the change in the accounting policy involved in the Accounting Standards for Business Enterprises No. 16 – Government Grants revised by the Ministry of Finance in 2017.

Note 2: The Company adopted retrospective approach to account for the change in the accounting policy involved in the Notice on Revising and Issuing the Format of Financial Statements of General Business Enterprises (Cai Kuai (2017) No. 30) issued by the Ministry of Finance in 2017, and adjusted the comparative data of the previous year.

III. SIGNIFICANT EVENTS

Analysis of reasons for changes in cash flow statement items during the Reporting Period

Unit: yuan Currency: RMB

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reason of changes
Net cash flows generated from investment activities	-1,580,484,224	-1,234,995,049	27.97	Mainly due to the year-on-year increase in net cash outflows from investment activities as a result of the year-on-year increases in payment for construction projects of expressways and external payment for acquisition activities during the Reporting Period.
Net cash flows generated from financing activities	433,102,500	153,205,868	182.69	Mainly due to the year-on-year increase in net cash inflows from financing activities as a result of increased proceeds from loans obtained for new construction projects during the Reporting Period.

III. SIGNIFICANT EVENTS

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

Applicable Not Applicable

1. Progress of New Construction Projects

During the Reporting Period, the Company advanced the construction of its new road and bridge projects in an active and orderly way. As at the end of the Reporting Period, Wufengshan Bridge Project had accumulatively incurred an investment of RMB5,400 million, representing approximately 44.76% of the total investment of the project; Zhendan Expressway Project had accumulatively incurred an investment of RMB1,296 million, representing approximately 74.91% of the total investment of the project, and is expected to be completed and open to traffic in 2018; Changyi Expressway Phase I Project had accumulatively incurred an investment of RMB1,489 million, representing approximately 39.20% of the total investment of the project; and Yichang Expressway Project had accumulatively incurred an investment of RMB1,106 million, representing approximately 27.81% of the total investment of the project.

2. Progress of External Investments

In January 2018, Jiangsu Financial Leasing Co., Ltd., an investee of Guangjing Xicheng Company whose 85% of its shareholdings were owned by the Company, obtained approval for its application for initial public offering and went public on the A-share market on 1 March 2018. Guangjing Xicheng Company, being the fourth largest shareholder of Jiangsu Financial Leasing Co., Ltd., owns 234 million shares, accounting for approximately 7.83% of the total issued share capital of Jiangsu Financial Leasing Co. Ltd. These shares held by Guangjing Xicheng Company are not allowed to be transferred within 36 months from the date of listing of the shares of Jiangsu Financial Leasing Co., Ltd., and their fair values shall be recognized based on the valuation to be performed by a third party appraisal agency at the end of each calendar year. Currently, the Company's interests in such shares are recognized at fair value through other comprehensive income, and thus the net assets of the Group increased accordingly.

III. SIGNIFICANT EVENTS

3. Progress of Equity Acquisitions

On 19 March 2018, the twenty-second meeting of the Eighth Session of the board of directors of the Company resolved that the Company would acquire 30% equity interest in its joint venture Hanwei Company at a consideration of RMB184,499,800. Upon completion of the acquisition, Hanwei Company would become 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) on 19 March 2018 and the announcement published respectively on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 20 March 2018. As of the end of the Reporting Period, the Company had paid the consideration for the acquisition but not yet obtained the control of Hanwei Company as the procedures for relevant change in business registration particulars and other related formalities were yet to be completed. As of the publication date of this Report, Hanwei Company has completed the procedures for relevant change in business registration particulars and other related formalities, thus Hanwei Company has become a wholly-owned subsidiary of the Company.

4. Changes in Accounting Policies

From 1 January 2018, the Group commenced the implementation of the five PRC Accounting Standards which were newly revised by the Ministry of Finance in 2017 namely the Accounting Standards for Business Enterprises No. 14 – Revenue, the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 – Hedging, and the Accounting Standards for Business Enterprises No. 37 – Presentation and Disclosures of Financial Instruments. According to the requirements of the new standards, the relevant accounting items and accounting treatment have been adjusted accordingly, revenue recognition and measurement have been further specified, consistency of accounting treatment has been improved, and the disclosure of corporate risk management objectives and strategies has been improved. These changes in accounting policies were made

III. SIGNIFICANT EVENTS

pursuant to changes in accounting policies required by the Ministry of Finance of the People's Republic of China and there was no significant impact on the Group's operating conditions, financial results and disclosure of financial information.

3.3 Undertakings not being fully performed timely during the Reporting Period

Applicable Not Applicable

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

Applicable Not Applicable

Company **Jiangsu Expressway Company Limited**
Legal representative **Chang Qing**
Date 28 April 2018

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
Current Assets:		
Cash and bank balances	323,136,371	269,357,751
Balances with clearing companies	-	-
Loans to banks and other financial institutions	-	-
Financial assets at fair value through profit or loss for the period	39,295,972	38,871,811
Derivative financial assets	-	-
Bills receivable	1,600,000	2,880,000
Accounts receivable	272,666,622	306,367,630
Prepayments	194,626,510	10,200,712
Premium receivables	-	-
Reinsurance receivables	-	-
Reinsurance contract reserves receivable	-	-
Interests receivable	6,792,500	80,231,500
Dividends receivable	4,989,960	4,989,960
Other receivables	25,305,897	21,035,223
Financial assets purchased under agreements to resell	-	-
Inventories	2,641,699,831	3,010,805,685
Assets classified as held for sale	-	-
Non-current assets due within one year	-	300,000,000
Other current assets	604,388,936	557,742,656
Total Current Assets	4,114,502,599	4,602,482,928

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current Assets:		
Loans and advances to customers	—	—
Financial assets at fair value through other comprehensive income	4,453,483,085	2,306,957,191
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investments	5,224,306,934	5,146,246,114
Investment properties	19,793,907	20,019,608
Fixed assets	1,710,924,583	1,740,197,103
Construction in progress	9,347,057,835	8,294,639,339
Construction materials	—	—
Disposal of fixed assets	—	—
Productive biological assets	—	—
Oil and gas assets	—	—
Intangible assets	19,649,170,432	19,962,642,227
Research and development expenses	—	—
Goodwill	—	—
Long-term deferred expenses	819,335	1,069,666
Deferred income tax assets	202,421,825	258,020,384
Other non-current assets	611,216,678	200,216,678
Total Non-current Assets	41,219,194,614	37,930,008,310
TOTAL ASSETS	45,333,697,213	42,532,491,238

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Current Liabilities:		
Short-term borrowings	4,040,000,000	3,599,000,000
Borrowings from central bank	—	—
Receipts of deposits and deposits from other banks	—	—
Loans from other banks and other financial institutes	—	—
Financial liabilities at fair value through profit or loss for the period	—	—
Derivative financial liabilities	—	—
Bills payable	—	—
Accounts payable	691,393,399	921,349,151
Receipts in advance	165,717,019	840,007,370
Financial assets sold under agreements to repurchase	—	—
Fee and commission payable	—	—
Employee remuneration payable	3,081,824	3,636,736
Taxes payable	306,632,334	275,210,217
Interest payable	156,808,047	99,326,055
Dividends payable	81,117,999	81,117,999
Other payables	59,017,926	36,919,707
Reinsurance accounts payables	—	—
Reserves for insurance contracts	—	—
Customers' deposits held for securities brokerage	—	—
Customers' deposits held for securities underwriting	—	—
Liabilities classified as held for sale	—	—
Non-current liabilities due within one year	624,535,049	623,841,375
Other current liabilities	1,226,350,000	2,243,200,002
Total Current Liabilities	7,354,653,597	8,723,608,612

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	4,963,340,331	3,874,089,201
Bonds payable	3,972,337,014	3,970,157,835
Including: Preference shares	-	-
Perpetual bonds	-	-
Long-term payables	-	-
Long-term employee salary payable	-	-
Special payables	-	-
Expected liabilities	8,010,000	8,010,000
Deferred income	44,560,318	33,638,147
Deferred income tax liabilities	538,418,258	28,056,831
Other non-current liabilities	-	-
	9,526,665,921	7,913,952,014
Total Non-current Liabilities	9,526,665,921	7,913,952,014
TOTAL LIABILITIES	16,881,319,518	16,637,560,626

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
OWNERS' EQUITY		
Share capital	5,037,747,500	5,037,747,500
Other equity instruments	-	-
Including: Preference shares	-	-
Perpetual bonds	-	-
Capital reserve	10,428,388,235	10,428,388,235
Less: Treasury shares	-	-
Other comprehensive income	1,666,950,602	380,908,923
Special reserve	-	-
Surplus reserve	3,273,492,299	3,273,492,299
General risk provision	-	-
Retained profits	5,416,880,460	4,399,747,006
Total owners' equity attributable to the parent company	25,823,459,096	23,520,283,963
Minority interests	2,628,918,599	2,374,646,649
TOTAL OWNERS' EQUITY	28,452,377,695	25,894,930,612
TOTAL LIABILITIES AND OWNERS' EQUITY	48,333,697,213	42,532,491,238

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

Person-in-charge of the
accounting department:
Yin Hong

IV. APPENDIX

Balance Sheet of the Parent Company

31 March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
Current Assets:		
Cash and bank balances	70,098,244	135,125,679
Financial assets at fair value through profit or loss for the period	-	-
Derivative financial assets	-	-
Bills receivable	-	-
Accounts receivable	189,934,065	213,001,356
Prepayments	185,643,723	2,379,548
Interests receivable	8,952,778	82,325,319
Dividends receivable	4,989,960	4,989,960
Other receivables	11,953,205	8,700,887
Inventories	17,944,386	22,502,218
Assets classified as held for sale	-	-
Non-current assets due within one year	50,000,000	350,000,000
Other current assets	580,000,000	404,000,000
Total Current Assets	1,119,516,361	1,223,024,967

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current Assets:		
Financial assets at fair value through other comprehensive income	1,378,000,000	1,378,000,000
Held-to-maturity investments	–	–
Long-term receivables	–	–
Long-term equity investments	15,134,596,429	15,032,907,472
Investment properties	–	–
Fixed assets	1,000,384,407	1,016,202,346
Construction in progress	15,202,223	13,073,662
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	10,576,721,494	10,736,032,358
Research and development expenses	–	–
Goodwill	–	–
Long-term deferred expenses	–	–
Deferred income tax assets	–	–
Other non-current assets	<u>2,607,445,860</u>	<u>2,190,581,936</u>
Total Non-current Assets	<u>30,712,350,413</u>	<u>30,366,797,774</u>
TOTAL ASSETS	<u>31,831,866,774</u>	<u>31,589,822,741</u>

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Current Liabilities:		
Short-term borrowings	3,499,000,000	2,863,000,000
Financial liabilities at fair value through profit or loss for the period	-	-
Derivative financial liabilities	-	-
Bills payable	-	-
Accounts payable	266,281,459	341,840,658
Receipts in advance	40,198,603	15,441,862
Employee remuneration payable	470,821	978,932
Taxes payable	183,046,724	185,938,684
Interest payable	122,649,553	76,160,278
Dividends payable	81,117,999	81,117,999
Other payables	17,915,410	16,716,264
Liabilities classified as held for sale	-	-
Non-current liabilities due within one year	501,535,049	500,841,376
Other current liabilities	1,226,350,000	2,243,200,002
Total Current Liabilities	5,938,565,618	6,325,236,055

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	15,440,331	16,189,201
Bonds payable	3,972,337,015	3,970,157,835
Including: Preference shares	-	-
Perpetual bond	-	-
Long-term payables	-	-
Long-term employee salary payable	-	-
Special payables	-	-
Expected liabilities	8,010,000	8,010,000
Deferred income	-	-
Deferred income tax liabilities	24,766,288	24,766,288
Other non-current liabilities	-	-
	4,020,553,634	4,019,123,324
Total Non-current Liabilities	4,020,553,634	4,019,123,324
TOTAL LIABILITIES	9,959,119,252	10,344,359,379

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
OWNERS' EQUITY :		
Share capital	5,037,747,500	5,037,747,500
Other equity instruments	-	-
Including: Preference shares	-	-
Perpetual bonds	-	-
Capital reserve	7,327,650,327	7,327,650,327
Less: Treasury shares	-	-
Other comprehensive income	347,374,136	362,483,691
Special reserve	-	-
Surplus reserve	2,518,873,750	2,518,873,750
Retained profits	6,641,101,809	5,998,708,094
TOTAL OWNERS' EQUITY	21,872,747,522	21,245,463,362
TOTAL LIABILITIES AND OWNERS' EQUITY	31,831,866,774	31,589,822,741

Legal representative:

Chang Qing

Accounting chief :

Gu Dejun

Person-in-charge of the
accounting department:

Yin Hong

IV. APPENDIX

Consolidated Income Statement

January–March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Total operating income	2,822,575,100	2,295,677,347
Including: Operating income	2,822,575,100	2,295,677,347
Interest income	—	—
Premium earned	—	—
Fee and commission income	—	—
II. Total operating costs	1,547,704,367	1,213,370,672
Including: Operating costs	1,298,214,043	1,044,912,645
Interest expenses	—	—
Fees and commission expenses	—	—
Surrender payment	—	—
Net expenditure for compensation payments	—	—
Net provision for insurance deposits	—	—
Policyholder dividend expenses	—	—
Reinsurance expenses	—	—
Taxes and surcharges	84,225,721	23,247,966
Selling expenses	2,500,645	1,790,400
Administrative expenses	41,330,035	41,977,339
Financial expenses	121,433,923	101,442,322

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
	-	-
Add: Impairment losses of assets	-	-
Gains from changes in fair value (Loss is indicated by "-")	424,161	1,862,340
Investment income (Loss is indicated by "-")	85,157,760	93,340,853
Including: Income from investments in associates and joint ventures	81,723,741	84,729,908
Gains from disposal of assets (Loss is indicated by "-")	-69,626	-348,161
Gains from foreign currencies exchange (Loss is indicated by "-")	-	-
Other income	524,464	-
III. Operating profit (Loss is indicated by "-")	1,360,907,492	1,177,161,707
Add: Non-operating income	82,113	580,068
Less: Non-operating expenses	5,276,789	4,748,869
IV. Total profit (Total loss is indicated by "-")	1,355,712,816	1,172,992,906
Less: Income tax expense	318,182,335	272,151,755

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
V. Net profit (Net loss is indicated by "-")	1,037,530,481	900,841,151
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is indicated by "-")	1,037,530,481	900,841,151
2. Net profit from discontinued operation (net loss is indicated by "-")	-	-
(II) Classified by ownership of equity		
1. Minority interests	20,397,027	22,168,203
2. Net profit attributable to owners of the parent company	1,017,133,454	878,672,948
VI. Other comprehensive income, net of tax	1,515,656,602	-12,463,550
Other comprehensive income attributable to owners of the parent company, net of tax	1,286,041,679	-12,463,550
(I) Other comprehensive income that will not be reclassified to profit or loss subsequently	-	-
1. Changes in net liabilities or net assets arising from the remeasurement of defined benefit plans	-	-
2. Share of other comprehensive income of investee that cannot be reclassified to profit or loss under equity method	-	-

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
(II) Other comprehensive income that will be reclassified to profit or loss subsequently	1,286,041,679	-12,463,550
1. Share of other comprehensive income of investees that will subsequently be reclassified to profit or loss under equity method	-15,109,555	-12,463,550
2. Gains/losses from changes in fair value of available-for-sale financial assets	1,301,151,234	-
3. Gains/losses from held-to-maturity investments reclassified as available-for-sale financial assets	-	-
4. Effective part of gains/losses from cash flow hedging	-	-
5. Exchange differences from retranslation of financial statements	-	-
6. Others	-	-
Other comprehensive income attributable to minority shareholders, net of tax	229,614,923	-

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
VII. Total comprehensive income	2,553,187,083	888,377,601
Total comprehensive income attributable to owners of the parent company	2,303,175,133	866,209,398
Total comprehensive income attributable to minority shareholders	250,011,950	22,168,203
VIII. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.2019	0.1744
(2) Diluted earnings per share (RMB/share)		

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

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

Person-in-charge of the
accounting department:
Yin Hong

IV. APPENDIX

Income Statement of the Parent Company

January–March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Operating income	1,515,256,273	1,574,820,248
Less: Operating costs	607,696,168	687,474,897
Taxes and surcharges	10,379,002	9,099,438
Selling expenses	–	–
Administrative expenses	30,436,176	31,099,198
Financial expenses	91,215,657	75,232,187
Impairment losses of assets	–	–
Add: Gains from changes in fair value (Loss is indicated by “-”)	–	–
Investment income (Loss is indicated by “-”)	69,305,829	74,903,513
Including: Income from investments in associates and joint ventures	48,058,511	49,784,059
Gains from disposal of assets (Loss is indicated by “-”)	78,594	24,700
Other income	–	–

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
II. Operating profit (Loss is indicated by "-")	844,913,693	846,842,741
Add: Non-operating income	—	64,760
Less: Non-operating expenses	4,408,243	3,665,203
III. Total profit (Total loss is indicated by "-")	840,505,450	843,242,298
Less: Income tax expense	198,111,735	198,364,560
IV. Net profit (Net loss is indicated by "-")	642,393,715	644,877,738
(I) Net profit from continuing operations (net loss is indicated by "-")	642,393,715	644,877,738
(II) Net profit from discontinued operations (net loss is indicated by "-")	—	—
V. Other comprehensive Income, net of tax	-15,109,555	-12,463,550
(I) Other comprehensive income that will not be reclassified to profit or loss subsequently	—	—
1. Changes in net liabilities or net assets arising from the remeasurement of defined benefit plans	—	—
2. Share of other comprehensive income of investee that cannot be reclassified to profit or loss under equity method	—	—

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
(II) Other comprehensive income that will be reclassified to profit or loss subsequently	-15,109,555	-12,463,550
1. Share of other comprehensive income of investees that will subsequently be reclassified to profit or loss under equity method	-15,109,555	-12,463,550
2. Gains/losses from changes in fair value of available-for-sale financial assets	-	-
3. Gains/losses from held-to-maturity investment reclassified as available-for-sale financial assets	-	-
4. Effective part of gains/losses from cash flow hedging	-	-
5. Exchange differences from retranslation of financial statements	-	-
6. Others	-	-
VI. Total comprehensive income	627,284,160	632,414,188
VII. Earnings per share		
(I) Basic earnings per share <i>(RMB/share)</i>	0.1275	0.1280
(II) Diluted earnings per share <i>(RMB/share)</i>		

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

Person-in-charge of the
accounting department:
Yin Hong

IV. APPENDIX

Consolidated Cash Flow Statement

January - March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	2,275,392,859	2,410,482,097
Net increase in deposits from customers and placements from banks and other financial institutions	-	-
Net increase in borrowings from central bank	-	-
Net increase in placements from other financial institutions	-	-
Cash received from premiums of original insurance contracts	-	-
Net cash received from reinsurance business	-	-
Net increase in deposits from policy holders and investments	-	-
Net increase in disposal of financial assets at fair value through profit or loss	-	-
Cash received from interest, handling charges and commissions	-	-
Net increase in placements from banks and other financial institutions	-	-
Net increase in repurchased business fund	-	-
Tax refunds	-	-
Other cash receipts relating to operating activities	27,198,472	81,785,474
Subtotal of cash inflows from operating activities	2,302,591,331	2,492,267,571

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
Cash payments for goods purchased and service received	509,870,415	628,178,510
Net increase in loans and advances to customers	-	-
Net increase in placements with central bank and other financial institutions	-	-
Cash paid for claims on original insurance contracts	-	-
Cash payment for interest, handling charges and commissions	-	-
Cash payment for policy holder dividend	-	-
Cash payments to and on behalf of employees	216,779,049	205,596,595
Taxes payment	337,601,081	355,145,196
Other cash payments relating to operating activities	34,136,111	30,042,730
Sub-total of cash outflows from operating activities	1,098,386,656	1,218,963,031
Net cash flows from operating activities	1,204,204,675	1,273,304,540

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	953,380,000	751,903,747
Cash receipts from investment income	83,395,264	2,232,003
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	10,800	200,830
Net cash received from disposal of subsidiaries and other business entities	-	-
Other cash receipts relating to investing activities	369,000,000	-
Sub-total of cash inflows from investing activities	1,405,786,064	754,336,580
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,162,566,138	905,331,629
Cash payments for investments	1,343,704,150	964,000,000
Net increase in pledged loans	-	-
Net cash paid for acquisition of subsidiaries and other business entities	-	-
Other cash payments relating to investing activities	480,000,000	120,000,000
Sub-total of cash outflows from investing activities	2,986,270,288	1,989,331,629
Net cash flows from investing activities	-1,580,484,224	-1,234,995,049

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from investors	4,260,000	484,668,000
Including: Cash received by subsidiaries from minority shareholders' investment	4,260,000	484,668,000
Cash receipts from borrowings	2,631,000,000	670,000,000
Cash receipts from issuance of bonds	-	-
Other cash receipts relating to financing activities	-	-
Sub-total of cash inflows from financing activities	2,635,260,000	1,154,668,000
Cash repayments of borrowings	2,101,528,802	970,860,251
Cash payments for distribution of dividends or profits or settlement of interest expenses	96,608,263	30,470,812
Including: Dividends, profits paid to minority shareholders by subsidiaries	-	-
Other cash payments relating to financing activities	4,020,435	131,069
Sub-total of cash outflows from financing activities	2,202,157,500	1,001,462,132
Net cash flows from financing activities	433,102,500	153,205,868

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
IV. Effects of changes in foreign exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	56,822,951	191,515,359
Add: Opening balance of cash and cash equivalents	262,758,700	194,272,978
VI. Closing balance of cash and cash equivalents	319,581,651	385,788,337

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

*Person-in-charge of the
accounting department:*
Yin Hong

IV. APPENDIX

Cash Flow Statement of the Parent Company

January–March 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	1,624,569,266	1,697,094,820
Tax refunds	–	–
Other cash receipts relating to operating activities	8,292,477	1,692,648
Sub-total of cash inflows from operating activities	1,632,861,743	1,698,787,468
Cash payments for goods purchased and service received	377,992,218	500,661,005
Cash payments to and on behalf of employees	143,627,923	136,054,791
Taxes payment	256,545,752	295,143,539
Other cash payments relating to operating activities	18,001,692	13,849,501
Sub-total of cash outflows from operating activities	796,167,585	945,708,836
Net cash flows from operating activities	836,694,158	753,078,632

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	754,000,000	251,000,000
Cash receipts from investment income	100,301,756	18,535,288
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	9,000	99,000
Net cash received from disposal of subsidiaries and other business entities	—	—
Other cash receipts relating to investing activities	369,000,000	—
Sub-total of cash inflows from investing activities	1,223,310,756	269,634,288
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	28,391,423	42,504,705
Cash payments for investments	1,133,239,800	677,000,000
Net cash paid for acquisition of subsidiaries and other business entities	—	—
Other cash payments relating to investing activities	530,000,000	120,000,000
Sub-total of cash outflows from investing activities	1,691,631,223	839,504,705
Net cash flows from investing activities	-468,320,467	-569,870,417

IV. APPENDIX

Items	Amount for the Reporting Period	Amount for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from investors	—	—
Cash receipts from borrowings	1,530,000,000	380,000,000
Other cash receipts relating to financing activities	—	—
Sub-total of cash inflows from financing activities	1,530,000,000	380,000,000
Cash repayments of borrowings	1,895,528,802	570,860,251
Cash payments for distribution of dividends or profits or settlement of interest expenses	63,851,889	12,857,735
Other cash payments relating to financing activities	4,020,435	131,069
Sub-total of cash outflows from financing activities	1,963,401,126	583,849,055
Net cash flows from financing activities	-433,401,126	-203,849,055
IV. Effects of changes in foreign exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-65,027,435	-20,640,840
Add: Opening balance of cash and cash equivalents	135,125,679	98,649,203
VI. Closing balance of cash and cash equivalents	70,098,244	78,008,363

Legal representative:
Chang Qing

Accounting chief :
Gu Dejun

Person-in-charge of the
accounting department:
Yin Hong

IV. APPENDIX

4.2 Auditors' Report

Applicable Not Applicable

The Board of Directors
Jiangsu Expressway Company Limited

Nanjing, the PRC, 28 April 2018

As at the date of this report, 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* , Lin Hui **

* *Independent Non-executive Directors*