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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)**

**THE THIRD QUARTERLY REPORT OF 2018**

**1. IMPORTANT NOTICE**

1.1 The board of directors (the “**Board**”) and the supervisory committee of Jiangsu Expressway Company Limited (the “**Company**”) together with its directors, supervisors and the 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 jointly and severally accept legal responsibility for such contents.

1.2 Absent Directors

| <b>Name of absent director</b> | <b>Position held by absent director</b> | <b>Reasons for absence</b> | <b>Name of proxy</b> |
|--------------------------------|---|----------------------------|----------------------|
| Chen Yongbing                  | Director                                | Due to business engagement | Yao Yongjia          |
| Ma Chung Lai, Lawrence         | Director                                | Due to business engagement | Yao Yongjia          |
| Zhang Zhuting                  | Independent Director                    | Due to business engagement | Chen Liang           |

- 1.3 Mr. Gu Dejun, the legal representative of the Company, Mr. Sun Xibin, the accounting chief, and Ms. Ren Zhuohua, 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 This third quarterly report of the Company is unaudited.
- 1.5 Unless otherwise defined herein, definitions of roads and companies contained in this report shall have the same meanings as set out in the definition section of the interim report of the Company for the six months ended 30 June 2018.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Major Financial Data

|  | <i>Unit: yuan Currency: RMB</i>  |   |  |
|--|--|---|--|
|  | <b>As at the end of the Reporting Period</b>   | 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   | <b>46,676,081,417</b>  | 42,532,491,238  | 9.74   |
| Net assets attributable to shareholders of the Company | <b>25,939,277,645</b>  | 23,520,283,963  | 10.28  |
|  | <b>From the beginning of the year to the end of the Reporting Period (January – September)</b> | From the beginning of the previous year to the end of the reporting period of the previous year (January – September) | Increase/decrease compared to the corresponding period of the previous year (%)                      |
| Net cash flow generated from operating activities      | <b>4,246,029,094</b>   | 3,946,996,005   | 7.58   |

|   | <b>From the<br/>beginning of the<br/>year to the end<br/>of the Reporting<br/>Period (January –<br/>September)</b> | From the beginning<br>of the previous year<br>to the end of the<br>reporting period<br>of the previous<br>year (January –<br>September) | Increase/decrease<br>compared to the<br>corresponding<br>period of the<br>previous year<br>(%) |
|---|--|---|--|
| Operating revenue   | <b>7,641,702,887</b>   | 6,990,321,462   | 9.32   |
| Net profit attributable<br>to shareholders of the<br>Company  | <b>3,652,096,620</b>   | 2,895,998,719   | 26.11  |
| Net profit attributable<br>to shareholders of the<br>Company net of non-<br>recurring profit and loss | <b>3,196,724,428</b>   | 2,883,834,188   | 10.85  |
| Weighted average return on<br>net assets (%)  | <b>14.65</b>   | 12.62   | Increased by 2.03<br>percentage points   |
| Basic earnings per share<br>( <i>RMB per share</i> )  | <b>0.7249</b>  | 0.5749  | 26.09  |
| Diluted earnings per share<br>( <i>RMB per share</i> )  | N/A  | N/A   | N/A  |

## Items and amounts of non-recurring profit/loss

Applicable       Not applicable

*Unit: yuan    Currency: RMB*

| Item  | Amount for the<br>Reporting Period<br>(July – September) | Amount from the<br>beginning of the<br>year to the end of the<br>Reporting Period<br>(January –<br>September) | Explanation   |
|---|--|---|---|
| Gains or losses from disposal of non-current assets   | -543,707   | -759,212  |   |
| Government grants included in gains or losses for the current period (except for government grants which are closely related to normal business of the Company, conformed to the requirements of State policy, and granted continuously according to certain standardized amounts or quotas)  | 518,133  | 2,031,892   | Compensation for construction of Ningchang Expressway and subsidy for stabilizing employment recognized during the Reporting Period |
| Profit and loss of changes in fair value arising from holding of held-for-trading financial assets and held-for-trading financial liabilities, as well as investment gain realized from disposal of held-for-trading financial assets, held-for-trading financial liabilities and financial assets available for sale, except for the effective hedging activities related to ordinary business operations of the Company | 48,224,357   | 49,549,700  |   |
| Gain or losses from external entrusted loans  | 0  | 2,598,900   |   |

| Item   | Amount for the<br>Reporting Period<br>(July – September) | Amount from the<br>beginning of the<br>year to the end of the<br>Reporting Period<br>(January –<br>September) | Explanation  |
|--|--|---|--|
| Other non-operating income<br>and expenses other than the<br>above items                             | -4,315,580   | -10,543,084   |  |
| Other profit and loss items<br>conforming with the<br>definition of non-recurring<br>profit and loss | -1,869,575   | 420,701,663   | Mainly due to the<br>recognition of<br>the valuation<br>gain based on<br>the difference<br>between the fair<br>value and the book<br>value of the equity<br>interest in Hanwei<br>Company held by<br>the Company before<br>the acquisition date<br>and measured at<br>fair value on the<br>acquisition date,<br>upon the acquisition<br>of Hanwei<br>Company during the<br>Reporting Period<br>in accordance with<br>the standards on<br>enterprise merger<br>not under common<br>control. |
| Affected minority interests<br>(after tax)   | -101,629   | 62,415  |  |
| Affected income tax amount   | -10,503,407  | -8,270,082  |  |
| Total  | <u><u>31,408,592</u></u>                                 | <u><u>455,372,192</u></u>   |  |

## 2.2 Total Numbers 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 22,448 (including 426 holders of H shares)

### Shareholdings of top ten shareholders

| Name of shareholders<br>(full name)                                    | Number of shares<br>held as at the end<br>of the Reporting<br>Period | Percentage<br>(%) | Number<br>of shares<br>held that<br>are subject<br>to trading<br>restrictions | Shares pledged or frozen |                     | Type of<br>shareholders     |
|--|--|-------------------|---|--------------------------|---------------------|-----------------------------|
|  |  |                   |   | Status of<br>shares      | Number of<br>shares |                             |
| Jiangsu Communications<br>Holding Company<br>Limited                   | 2,742,578,825  | 54.44             | 0   | Nil                      | 0                   | State-owned<br>legal person |
| China Merchants<br>Highway Network<br>Technology Holdings<br>Co., Ltd. | 589,059,077  | 11.69             | 0   | Nil                      | 0                   | State-owned<br>legal person |
| Commonwealth Bank of<br>Australia                                      | 159,589,300  | 3.17              | 0   | Unknown                  | 0                   | Foreign legal<br>person     |
| BlackRock, Inc.  | 134,955,914  | 2.68              | 0   | Unknown                  | 0                   | Foreign legal<br>person     |
| JPMorgan Chase & Co.   | 110,311,864  | 2.19              | 0   | Unknown                  | 0                   | Foreign legal<br>person     |
| Guotai Junan Securities<br>Co., Ltd.                                   | 67,988,328   | 1.35              | 0   | Unknown                  | 0                   | Others                      |
| Jiantou Zhongxin Asset<br>Management Co., Ltd.                         | 21,410,000   | 0.42              | 0   | Unknown                  | 0                   | Others                      |
| China Life Insurance<br>Co., Ltd. (Taiwan) –<br>Self-owned Funds       | 16,639,708   | 0.33              | 0   | Unknown                  | 0                   | Foreign legal<br>person     |
| China Life Insurance<br>Co., Ltd. (Taiwan) –<br>Self-owned Funds       | 9,953,812  | 0.20              | 0   | Unknown                  | 0                   | Foreign legal<br>person     |
| Cathay Life Insurance<br>Co. Ltd. – Self-owned<br>Funds                | 9,553,937  | 0.19              | 0   | Unknown                  | 0                   | Others                      |

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

| Name of shareholders   | Number of circulating shares held that are not subject to trading restrictions | Type and number of shares   |               |
|--|--|---|---------------|
|  |  | Type  | Number        |
| Jiangsu Communications Holding Company Limited   | 2,742,578,825  | RMB-denominated ordinary shares   | 2,742,578,825 |
| China Merchants Highway Network Technology Holdings Co., Ltd.  | 589,059,077  | RMB-denominated ordinary shares   | 589,059,077   |
| Commonwealth Bank of Australia   | 159,589,300  | Overseas-listed foreign shares  | 159,589,300   |
| BlackRock, Inc.  | 134,955,914  | Overseas-listed foreign shares  | 134,955,914   |
| JPMorgan Chase & Co.   | 110,311,864  | Overseas-listed foreign shares  | 110,311,864   |
| Guotai Junan Securities Co., Ltd.  | 67,988,328   | RMB-denominated ordinary shares   | 67,988,328    |
| Jiantou Zhongxin Asset Management Co., Ltd.  | 21,410,000   | RMB-denominated ordinary shares   | 21,410,000    |
| China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds   | 16,639,708   | RMB-denominated ordinary shares   | 16,639,708    |
| China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds   | 9,953,812  | RMB-denominated ordinary shares   | 9,953,812     |
| Cathay Life Insurance Co. Ltd. – Self-owned Funds  | 9,553,937  | RMB-denominated ordinary shares   | 9,553,937     |
| Illustration on the related party/connected relationship or acting-in-concert arrangement with respect to the above shareholders | (1)  | the Company is not aware of the existence of related party relationship or acting-in-concert arrangement with respect to the above shareholders;  |               |
|  | (2)  | during the Reporting Period, there were no parties, strategic investors or ordinary legal persons of the Company becoming the top ten shareholders of the Company because of placing of new shares; and |               |
|  | (3)  | the number of shares held by H shareholders is based on the record according to the Securities and Futures Ordinance of Hong Kong.  |               |
| Illustration on the preference shareholders with voting rights restored and their shareholdings                                  | Nil  |   |               |

**2.3 Total Number of Preference Shareholders, and Shareholdings of the Top Ten Preference Shareholders and the Top Ten Holders of Preference Shares not Subject to Trading Restrictions as at the End of the Reporting Period**

Applicable       Not applicable

**3. SIGNIFICANT EVENTS**

**3.1 Details of and Reasons for Material Changes in the Major Financial Statement Items and Financial Indicators of the Company**

Applicable       Not applicable

**1. *Business Progress***

In the third quarter of 2018, the Group's businesses are steadily progressing as planned. The Group achieved a total operating revenue of approximately RMB2,499,923,000 for the third quarter based on the PRC accounting standards, representing an increase of approximately 7.70% as compared to the corresponding period of last year.

In particular, revenue from toll business amounted to approximately RMB2,025,843,000, representing an increase of approximately 8.78% year-on-year. In the third quarter, the daily average traffic volume of Shanghai-Nanjing Expressway was 97,411 vehicles, increasing by approximately 6.86% year-on-year, of which, the average daily traffic volume of passenger vehicles was 76,967 vehicles, increasing by approximately 8.31% year-on-year, while the average daily traffic volume of trucks was 20,444 vehicles, increasing by approximately 1.72% year-on-year. The proportion of passenger vehicle traffic volume and truck traffic volume maintained relatively stable at approximately 79.01% and approximately 20.99% respectively. During the Reporting Period, the passenger vehicle and truck traffic volume of major road and bridge projects of the Company showed different levels of growth. Continuing to maintain stable growth, our operation demonstrated a favorable overall performance.



In the third quarter, as affected by the decrease of sales volume of oil products, revenue from the ancillary business of the Company amounted to approximately RMB383,587,000, representing a decrease of approximately 7.61% year-on-year. However, as the procurement contracts for oil products newly entered into by the Company in 2018 resulted in the further growth of profit from oil products, gross profit margin of oil products increased by approximately 5.24 percentage points year-on-year, accompanied by a year-on-year increase of approximately 6.60 percentage points in gross profit margin of ancillary services business, and the overall operating revenue from service areas recorded an increase. In terms of property business, the Company made great efforts to increase the selling rate under the existing regulation policies. The development and sales of the property projects progressed in an orderly manner, and revenue from pre-sale of property projects amounted to approximately RMB144,485,000. As the scale of delivery of the property projects during the quarter was larger as compared to the corresponding period of last year, carry-over revenue amounted to approximately RMB74,947,000, representing a year-on-year increase of approximately 154.68%. Advertising and other businesses achieved revenue of approximately RMB15,546,000, representing an increase of approximately 8.34% year-on-year, mainly attributable to a year-on-year increase in property services revenue.

In accordance with the PRC Accounting Standards, the operating cost of the Group amounted to approximately RMB1,019,287,000 for the third quarter, representing an increase of approximately 5.60% year-on-year; the operating profit amounted to approximately RMB1,531,315,000, representing an increase of approximately 15.92% year-on-year; the net profit attributable to shareholders of the Company amounted to approximately RMB1,163,955,000, representing an increase of approximately 16.82% as compared to the corresponding period of last year.

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

| Road and bridge projects | Average daily traffic volume<br>(vehicle/day) |   |                            | Average daily toll revenue<br>(RMB'000/day) |   |                            |
|--------------------------|---|---|----------------------------|---|---|----------------------------|
|                          | January -<br>September                        | Corresponding<br>period of the<br>previous year | Increase/<br>decrease<br>% | January -<br>September                      | Corresponding<br>period of the<br>previous year | Increase/<br>decrease<br>% |
| Shanghai-Nanjing         |   |   |                            |   |   |                            |
| Expressway               | 96,654  | 91,088  | 6.11                       | 13,845.14                                   | 13,069.60                                       | 5.93                       |
| Guangjing Expressway     | 72,603  | 68,816  | 5.50                       | 829.61                                      | 797.61  | 4.01                       |
| Xicheng Expressway       | 82,079  | 76,697  | 7.02                       | 1,680.38                                    | 1,562.42  | 7.55                       |
| Jiangyin Bridge          | 90,696  | 84,475  | 7.36                       | 3,240.52                                    | 3,064.66  | 5.74                       |
| Sujiahang Expressway     | 65,991  | 60,681  | 8.75                       | 3,333.63                                    | 3,005.05  | 10.93                      |
| Ningchang Expressway     | 42,531  | 37,409  | 13.69                      | 2,488.99                                    | 2,181.75  | 14.08                      |
| Zhenli Expressway        | 13,471  | 11,645  | 15.68                      | 711.09                                      | 674.88  | 5.37                       |
| Xiyi Expressway          | 22,402  | 20,774  | 7.84                       | 883.31                                      | 823.04  | 7.32                       |
| Wuxi Huantaihu           |   |   |                            |   |   |                            |
| Expressway               | 9,768   | 7,697   | 26.91                      | 100.92                                      | 84.35   | 19.64                      |
| Yanjiang Expressway      | 54,107  | 51,538  | 4.99                       | 4,149.91                                    | 3,929.25  | 5.62                       |
| Changjia Expressway      | 16,295  | 12,571  | 29.62                      | 401.49                                      | 300.04  | 33.81                      |
| Nanjing-Lianyungang      |   |   |                            |   |   |                            |
| Highway (Note 1)         | 4,892   | 6,104   | -18.39                     | 79.49                                       | 89.67   | -11.35                     |

*Note 1:* Panjiahuayuan Toll Station of Nanjing-Lianyungang Highway ceased to charge tolls since 00:00 on 1 June 2018. The data of this table regarding the traffic volume and revenue of Nanjing-Lianyungang Highway are from January to May 2017 and from January to May 2018.

From January to September 2018, the Group achieved an accumulated operating revenue of approximately RMB7,641,703,000, representing an increase of approximately 9.32% as compared to the corresponding period of last year, of which, toll revenue amounted to approximately RMB5,619,329,000, representing an increase of approximately 6.74% as compared to the corresponding period of last year; as affected by the decrease of sales volume of oil products, revenue from the ancillary business amounted to approximately RMB1,102,057,000, representing a decrease of approximately 12.77% year-on-year; the cumulative revenue from pre-sale of property projects under property business during the Reporting Period amounted to approximately RMB266,433,000, and the carry-over revenue from sales amounted to approximately RMB872,667,000, representing an increase of approximately 109.67% year-on year since the scale being delivered and carried forward during the Reporting Period was larger compared

to the corresponding period of last year; and revenue from advertising and other businesses amounted to approximately RMB47,650,000, representing an increase of approximately 3.59% as compared to the corresponding period of last year.

In terms of business cost, the Group recorded an accumulated operating cost of approximately RMB3,275,661,000 from January to September, representing an increase of approximately 7.86% as compared to the corresponding period of last year, mainly due to year-on-year increase in cost of toll business and property business.

The Group recorded an accumulated operating profit of approximately RMB4,687,776,000 from January to September, representing an increase of approximately 21.25% as compared to the corresponding period of last year. The Group achieved net profit attributable to shareholders of the Company of approximately RMB3,652,097,000, and earnings per share of approximately RMB0.7249, representing an increase of approximately 26.11% as compared to the corresponding period of last year.

## 2. *Changes in Financial Indicators*

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

### *Reasons for Material Changes in Balance Sheet Items as at 30 September 2018*

*Unit: yuan Currency: RMB*

| <b>Item</b>            | <b>As at the end of the Reporting Period</b> | <b>As at the end of the previous year</b> | <b>Increase/decrease %</b> | <b>Reason of change</b>   |
|------------------------|--|---|----------------------------|---|
| Cash and bank balances | <b>629,619,074</b>                           | 269,357,751                               | 133.75                     | The main reason was that, during the Reporting Period, Changyi Company and Yichang Company, both being subsidiaries of the Company, received capital funds, and Hanwei Company was newly included in the scope of consolidation, resulting in an increase in cash and bank balances as compared to the beginning of the period. |

| <b>Item</b>                            | <b>As at the end of the Reporting Period</b> | <b>As at the end of the previous year</b> | <b>Increase/decrease %</b> | <b>Reason of change</b>   |
|--|--|---|----------------------------|---|
| Held-for-trading financial assets      | <b>526,461,289</b>                           | 38,871,811                                | 1,254.35                   | According to the Accounting Standard for Business Enterprises No. 22, the Group reclassified wealth management products as held-for-trading financial assets from other current assets.   |
| Other receivables                      | <b>131,634,070</b>                           | 106,256,683                               | 23.88                      | Although Hanwei Company repaid the interest of the shareholders' loans during Reporting Period, other receivables increased as compared to the beginning of the period due to the broader consolidation scope of the Group as compared to the beginning of the period and the distribution of dividends declared by Yanjiang Company. |
| Prepayments                            | <b>30,867,660</b>                            | 10,200,712                                | 202.60                     | Mainly due to the increase in prepayments for projects and purchases during the Reporting Period as compared to the beginning of the period.  |
| Inventories                            | <b>4,026,325,020</b>                         | 3,010,805,685                             | 33.73                      | Mainly due to the acquisition of Hanwei Company during the Reporting Period, the Company recognised its inventories at fair value, resulting in an increase in inventories as compared to the beginning of the period.  |
| Non-current assets due within one year | <b>0</b>                                     | 300,000,000                               | -100                       | Mainly due to the repayment of shareholders' loans by Hanwei Company during the Reporting Period.   |
| Other current assets                   | <b>93,767,204</b>                            | 557,742,656                               | -83.19                     | In accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified wealth management products as held-for-trading financial assets from other current assets during the Reporting Period.   |
| Available-for-sale financial assets    | <b>0</b>                                     | 2,329,877,191                             | -100                       | In accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified available-for-sale financial assets as other investments in equity instruments and other non-current financial assets.   |

| Item                                    | As at the end of the Reporting Period | As at the end of the previous year | Increase/decrease % | Reason of change  |
|---|---------------------------------------|------------------------------------|---------------------|---|
| Other investments in equity instruments | 2,789,300,000                         | 0                                  | -                   | The main reason was that, in accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity interest of the restricted outstanding shares of Jiangsu Leasing and of Bank of Jiangsu as other investments in equity instrument; and the book value of the other investments in equity instruments recognized at fair value increased as a result of the listing of Jiangsu Leasing (certain shares of which are held by Guangjing Xicheng Company, a subsidiary of the Company) on the A-share market during the Reporting Period. |
| Other non-current financial assets      | 940,488,176                           | 0                                  | -                   | The main reason was that, according to the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity investment in limited partnership as other non-current financial assets, resulting in the increase in the book value of other non-current financial assets recognized by the Company at fair value.   |
| Deferred income tax assets              | 158,246,642                           | 258,020,384                        | -38.67              | Mainly due to the reversal of deferred income tax assets arising from the making up losses in previous years by Ningchang Zhenli Company, a subsidiary of the Company, during the Reporting Period.   |
| Other non-current assets                | 14,207,791                            | 200,216,678                        | -92.90              | Mainly due to the offsetting of entrusted loans provided by the Company to Hanwei Company as the Group's internal transaction due to the inclusion of Hanwei Company into the consolidation scope during the Reporting Period.  |
| Short-term borrowings                   | 2,110,000,000                         | 3,599,000,000                      | -41.37              | Mainly due to the partial repayment of short-term borrowings by the Company during the Reporting Period.  |
| Receipts in advance                     | 0                                     | 840,007,370                        | -100                | According to the Accounting Standard for Business Enterprises No.14, the Group reclassified items under receipts in advance as contract liabilities.  |

| Item  | As at the end of the Reporting Period | As at the end of the previous year | Increase/decrease % | Reason of change   |
|---|---------------------------------------|------------------------------------|---------------------|--|
| Contract liabilities                        | 987,275,690                           | 0                                  | -                   | According to the Accounting Standard for Business Enterprises No.14, the Group reclassified items under receipts in advance as contract liabilities.   |
| Taxes payable                               | 209,567,836                           | 275,210,217                        | -23.85              | Mainly due to the full settlement and payment of corporate income tax for the year of 2017 during the Reporting Period.  |
| Non-current liabilities due within one year | 399,704,397                           | 623,841,375                        | -35.93              | Mainly due to the redemption of medium-term notes in an amount of RMB500 million during the Reporting Period.  |
| Long-term borrowings                        | 6,228,238,674                         | 3,874,089,201                      | 60.77               | Mainly due to the increase in loans for the construction of the ongoing toll road and bridge projects during the Reporting Period.   |
| Deferred income tax liabilities             | 339,836,687                           | 28,056,831                         | 1,111.24            | 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 in Jiangsu Leasing held by Guangjing Xicheng Company, a subsidiary of the Company, during the Reporting Period.                        |
| Deferred income                             | 43,533,838                            | 33,638,147                         | 29.42               | The increase is mainly due to the recognition of unrealized profits of Hanwei Company prior to the acquisition by the Company during the Reporting Period.   |
| Other comprehensive income                  | 1,364,414,885                         | 380,908,923                        | 258.20              | The increase is mainly due to the recognition of other comprehensive income by the Company based on the fair value of the equity interest in and its shareholding percentage of Jiangsu Leasing which was listed on the A-share market during the Reporting Period.  |
| Minority interests                          | 3,252,922,046                         | 2,374,646,649                      | 36.99               | The increase was mainly due to capital contributions of minority shareholders received by subsidiaries during the Reporting Period, and the recognition of other comprehensive income entitled by minority shareholders based on the fair value of the equity interest in Jiangsu Leasing during the Reporting Period. |

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

*Unit: yuan Currency: RMB*

| <b>Item</b>                   | <b>From the beginning of the year to the end of the Reporting Period</b> | <b>Corresponding period of last year</b> | <b>Increase/decrease (%)</b> | <b>Reason of change</b>  |
|-------------------------------|--|--|------------------------------|--|
| Taxes and surcharges          | <b>128,824,700</b>   | 67,127,345                               | 91.91                        | The year-on-year increase in taxes and surcharges was due to the delivery of the property units of Ninghu Properties (a subsidiary of the Company) during the Reporting Period, the sales revenue from which was mainly generated before the replacement of business tax with value-added tax, and the tax provision made for advance settlement of land appreciation tax. |
| Selling expenses              | <b>19,452,446</b>  | 9,747,052                                | 99.57                        | The year-on-year increase in selling expenses was due to the increase in advertising and promotion expenses and increase in commission for property sales agency with regard to the South New City project of Hanwei Company after it was included into the consolidation scope during the Reporting Period.   |
| Gain on changes in fair value | <b>42,263,032</b>  | 4,357,385                                | 869.92                       | The main reason was that, according to the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity investment in limited partnership as other non-current financial assets, resulting in the increase in the fair value thereof.  |

| <b>Item</b>  | <b>From the beginning of the year to the end of the Reporting Period</b> | <b>Corresponding period of last year</b> | <b>Increase/decrease (%)</b> | <b>Reason of change</b>   |
|--|--|--|------------------------------|---|
| Investment income  | <b>945,289,473</b>   | 452,716,122                              | 108.80                       | Mainly due to the year-on-year increase in investment income contributed by the associated companies during the Reporting Period; and the recognition of valuation gain on 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 upon the acquisition of Hanwei Company in accordance with the standards on business combination not under common control. |
| Gain on disposal of assets   | <b>-759,212</b>  | -1,609,288                               | -52.82                       | Mainly due to the year-on-year decrease in the loss from disposal of assets during the Reporting Period.  |
| Non-operating income   | <b>10,698,524</b>  | 3,714,996                                | 187.98                       | Mainly due to the negative goodwill arising from the acquisition of Hanwei Company during the Reporting Period.   |
| Net amount of other comprehensive income after tax attributable to owners of the Company | <b>983,505,962</b>   | -7,970,007                               | -                            | The relatively substantial year-on-year increase in the net amount of other comprehensive income after tax attributable to the owners of the Company was mainly due to the substantial increase in fair value of Jiangsu Leasing after its listing on the A-share market during the Reporting Period.   |
| Net amount of other comprehensive income after tax attributable to minority shareholders | <b>146,691,174</b>   | 0  | -                            | Mainly due to the Company's new recognition of other comprehensive income entitled by the minority shareholders based on the fair value of the equity interest in Jiangsu Leasing during the Reporting Period.  |



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

*Unit: yuan Currency: RMB*

| <b>Item</b>  | <b>From the beginning of the year to the end of the Reporting Period</b> | <b>Corresponding period of last year</b> | <b>Increase/decrease (%)</b> | <b>Reason of changes</b>  |
|--|--|--|------------------------------|---|
| Net cash flow generated from investment activities | <b>-2,297,930,749</b>  | -5,766,691,601                           | -60.15                       | The substantial increase in the net cash flow generated from investment activities was mainly due to the year-on-year decrease in external payments for ongoing road and bridge construction projects during the Reporting Period.  |
| Net cash flow generated from financing activities  | <b>-1,582,625,192</b>  | 2,082,345,085                            | -176.00                      | The year-on-year decrease in the net cash flow generated from financing activities was mainly due to capital contribution of minority shareholders received by the project companies, and the year-on-year increase in net cash outflow for the repayment of interest-bearing debts by the Company during the Reporting Period. |

### 3.2 Analysis of Progress of Significant Events and Their Impact and Solutions

Applicable       Not applicable

#### 1. *Accelerating the progress of new road and bridge construction projects*

During the Reporting Period, the Company advanced the construction of its new road and bridge projects in an active and orderly manner. As at the end of the Reporting Period, Wufengshan Bridge Project had incurred an aggregate investment of approximately RMB5,976 million, representing approximately 49.53% of the total investment of the project; Changyi Expressway Phase I Project had incurred an aggregate investment of approximately RMB1,711 million, representing approximately 45.03% of the total investment of the project; and Yichang Expressway Project had incurred an aggregate investment of approximately RMB1,216 million, representing approximately 30.56% of the total investment of the project.

Zhendan Expressway Project was officially completed and open for traffic on 30 September 2018. Starting from the south Dagang Intersection of Taizhou Bridge in the north and reaching out to the Danyang New District Intersection of Shanghai-Jiangsu Expressway, it is the first newly constructed expressway that is a green, recycling and low-carbon demonstrative innovation project. The completion of the project is of great significance in promoting the development of the riverside areas in Jiangsu and improving the regional expressway network.

#### 2. *Subscribing for the units of private equity fund*

Upon approval by the Board of the Company, Ninghu Investment has accumulatively subscribed for a total of RMB1.2 billion units in CDB Kai Yuan Phase II Fund. As at the end of the Reporting Period, Ninghu Investment has made an aggregate capital contribution of RMB743,024,620.

### **3. Promoting the transformation and upgrading of service areas**

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 contracts regarding the outsourcing of operating rights of both of Yangcheng Lake Service Area, Fangmaoshan Service Area were signed in April 2018 and the contract regarding the outsourcing of operating rights of Douzhuang Service Area was signed in September 2018, with a total rental of RMB160,040,000 for 8 years. As such, the signing of the contracts regarding the outsourcing of businesses for all the 6 service areas along Shanghai-Nanjing Expressway has been completed.

#### **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* **Gu Dejun**  
Date 26 October 2018

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2018

Prepared by: Jiangsu Expressway Company Limited

*Unit: yuan    Currency: RMB    Type of Audit: Unaudited*

| Items  | Balance at<br>the end of<br>the period | Balance as at<br>the beginning of<br>the year |
|--|--|---|
| <b>Current Assets:</b>                                   |  |   |
| Cash and bank balances                                   | 629,619,074                            | 269,357,751                                   |
| Held-for-trading financial assets                        | 526,461,289                            | 38,871,811                                    |
| Bills and accounts receivable                            | 307,494,717                            | 309,247,630                                   |
| Including: Bills receivable                              | 3,774,570                              | 2,880,000                                     |
| Accounts receivable                                      | 303,720,147                            | 306,367,630                                   |
| Prepayments  | 30,867,660                             | 10,200,712                                    |
| Other receivables  | 131,634,070                            | 106,256,683                                   |
| Including: Interests receivable                          | 453,125                                | 80,231,500                                    |
| Dividends receivable                                     | 85,878,500                             | 4,989,960                                     |
| Financial assets purchased under<br>agreements to resell | –                                      | –   |
| Inventories  | 4,026,325,020                          | 3,010,805,685                                 |
| Non-current assets due within one year                   | –                                      | 300,000,000                                   |
| Other current assets                                     | 93,767,204                             | 557,742,656                                   |
| <b>Total Current Assets</b>                              | <b>5,746,169,034</b>                   | <b>4,602,482,928</b>                          |

| Items  | Balance at<br>the end of<br>the period | Balance as at<br>the beginning of<br>the year |
|--|--|---|
| <b>Non-current Assets:</b>                     |  |   |
| Loans and advances to customers                | –                                      | –   |
| Available-for-sale financial assets            | –                                      | 2,329,877,191                                 |
| Long-term equity investments                   | <b>5,709,924,085</b>                   | 5,123,326,114                                 |
| Other equity instruments investment            | <b>2,789,300,000</b>                   | –   |
| Other non-current financial assets             | <b>940,488,176</b>                     | –   |
| Investment properties                          | <b>19,342,506</b>                      | 20,019,608                                    |
| Fixed assets                                   | <b>1,776,296,613</b>                   | 1,740,197,103                                 |
| Construction in progress                       | <b>8,966,900,053</b>                   | 8,294,639,339                                 |
| Intangible assets                              | <b>20,554,087,879</b>                  | 19,962,642,227                                |
| Long-term deferred expenses                    | <b>1,118,638</b>                       | 1,069,666                                     |
| Deferred income tax assets                     | <b>158,246,642</b>                     | 258,020,384                                   |
| Other non-current assets                       | <b>14,207,791</b>                      | 200,216,678                                   |
|  | <hr/>                                  | <hr/>   |
| <b>Total Non-current Assets</b>                | <b>40,929,912,383</b>                  | <b>37,930,008,310</b>                         |
|  | <hr/> <hr/>                            | <hr/> <hr/>                                   |
| <b>TOTAL ASSETS</b>                            | <b>46,676,081,417</b>                  | <b>42,532,491,238</b>                         |
|  | <hr/> <hr/>                            | <hr/> <hr/>                                   |
| <b>Current Liabilities:</b>                    |  |   |
| Short-term borrowings                          | <b>2,110,000,000</b>                   | 3,599,000,000                                 |
| Bills payable and accounts payable             | <b>912,608,025</b>                     | 921,349,151                                   |
| Receipts in advance                            | –                                      | 840,007,370                                   |
| Contract liabilities                           | <b>987,275,690</b>                     | –   |
| Employee remuneration payable                  | <b>2,175,848</b>                       | 3,636,736                                     |
| Taxes payable                                  | <b>209,567,836</b>                     | 275,210,217                                   |
| Other payables                                 | <b>241,507,838</b>                     | 217,363,761                                   |
| Including: Interest payable                    | <b>89,453,322</b>                      | 99,326,055                                    |
| Dividends payable                              | <b>104,070,981</b>                     | 81,117,999                                    |
| Non-current liabilities due within one<br>year | <b>399,704,397</b>                     | 623,841,375                                   |
| Other current liabilities                      | <b>2,023,548,139</b>                   | 2,243,200,002                                 |
|  | <hr/>                                  | <hr/>   |
| <b>Total Current Liabilities</b>               | <b>6,886,387,773</b>                   | <b>8,723,608,612</b>                          |
|  | <hr/> <hr/>                            | <hr/> <hr/>                                   |

| Items   | Balance at<br>the end of<br>the period | Balance as at<br>the beginning of<br>the year |
|---|--|---|
| <b>Non-current liabilities:</b>   |  |   |
| Long-term borrowings  | 6,228,238,674                          | 3,874,089,201                                 |
| Bonds payable   | 3,977,874,754                          | 3,970,157,835                                 |
| Expected liabilities  | 8,010,000                              | 8,010,000                                     |
| Deferred income   | 43,533,838                             | 33,638,147                                    |
| Deferred income tax liabilities   | 339,836,687                            | 28,056,831                                    |
| <b>Total Non-current Liabilities</b>  | <b>10,597,493,953</b>                  | <b>7,913,952,014</b>                          |
| <b>TOTAL LIABILITIES</b>  | <b>17,483,881,726</b>                  | <b>16,637,560,626</b>                         |
| <b>OWNERS' EQUITY (OR<br/>SHAREHOLDERS' EQUITY)</b>                           |  |   |
| Paid-up capital (or share capital)  | 5,037,747,500                          | 5,037,747,500                                 |
| Capital reserve   | 10,428,388,235                         | 10,428,388,235                                |
| Less: Treasury shares   | —                                      | —   |
| Other comprehensive income  | 1,364,414,885                          | 380,908,923                                   |
| Surplus reserve   | 3,273,492,299                          | 3,273,492,299                                 |
| Retained profits  | 5,835,234,726                          | 4,399,747,006                                 |
| <b>Total owners' equity attributable to the<br/>parent company</b>            | <b>25,939,277,645</b>                  | <b>23,520,283,963</b>                         |
| <b>Minority interests</b>   | <b>3,252,922,046</b>                   | <b>2,374,646,649</b>                          |
| <b>TOTAL OWNERS' EQUITY (OR<br/>SHAREHOLDERS' EQUITY)</b>                     | <b>29,192,199,691</b>                  | <b>25,894,930,612</b>                         |
| <b>TOTAL LIABILITIES AND OWNERS'<br/>EQUITY (OR SHAREHOLDERS'<br/>EQUITY)</b> | <b>46,676,081,417</b>                  | <b>42,532,491,238</b>                         |

*Legal representative:*  
**Gu Dejun**

*Accounting chief:*  
**Sun Xibin**

*Person-in-charge of the  
accounting department:*  
**Ren Zhuohua**

**Balance Sheet of the Parent Company**  
*30 September 2018*

Prepared by: Jiangsu Expressway Company Limited

*Unit: yuan    Currency: RMB    Type of Audit: Unaudited*

| <b>Items</b>                             | <b>Balance at<br/>the end of<br/>the period</b> | Balance at<br>the beginning of<br>the year |
|--|---|--|
| <b>Current Assets:</b>                   |   |  |
| Cash and bank balances                   | <b>115,274,901</b>                              | 135,125,679                                |
| Held-for-trading financial assets        | <b>100,000,000</b>                              | –  |
| Derivative financial assets              | –   | –  |
| Bills receivable and accounts receivable | <b>202,327,062</b>                              | 213,001,356                                |
| Including: Bills receivable              | –   | –  |
| Accounts receivable                      | <b>202,327,062</b>                              | 213,001,356                                |
| Prepayments                              | <b>5,903,851</b>                                | 2,379,548                                  |
| Other receivables                        | <b>128,367,844</b>                              | 96,016,166                                 |
| Including: Interests receivable          | <b>23,174,444</b>                               | 82,325,319                                 |
| Dividends receivable                     | <b>90,510,601</b>                               | 4,989,960                                  |
| Inventories                              | <b>14,011,043</b>                               | 22,502,218                                 |
| Non-current assets due within one year   | –   | 350,000,000                                |
| Other current assets                     | <b>50,000,000</b>                               | 404,000,000                                |
| <b>Total Current Assets</b>              | <b><u>615,884,701</u></b>                       | <b><u>1,223,024,967</u></b>                |
| <b>Non-current Assets:</b>               |   |  |
| Debt investment                          | <b>1,990,000,000</b>                            | –  |
| Long-term equity investments             | <b>15,994,131,955</b>                           | 15,027,677,472                             |
| Available-for-sale financial assets      | –   | 1,383,230,000                              |
| Other equity instruments investment      | <b>1,214,480,000</b>                            | –  |
| Fixed assets                             | <b>951,957,527</b>                              | 1,016,202,346                              |
| Construction in progress                 | <b>16,141,586</b>                               | 13,073,662                                 |
| Intangible assets                        | <b>10,243,557,863</b>                           | 10,736,032,358                             |
| Deferred income tax assets               | <b>16,113,712</b>                               | –  |
| Other non-current assets                 | <b>632,360,285</b>                              | 2,190,581,936                              |
| <b>Total Non-current Assets</b>          | <b><u>31,058,742,928</u></b>                    | <b><u>30,366,797,774</u></b>               |
| <b>TOTAL ASSETS</b>                      | <b><u>31,674,627,629</u></b>                    | <b><u>31,589,822,741</u></b>               |

| Items  | Balance at<br>the end of<br>the period | Balance at<br>the beginning of<br>the year |
|--|--|--|
| <b>Current Liabilities:</b>                    |  |  |
| Short-term borrowings                          | 3,430,000,000                          | 2,863,000,000                              |
| Bills payable and accounts payable             | 304,825,557                            | 341,840,658                                |
| Receipts in advance                            | –                                      | 15,441,862                                 |
| Contract liabilities                           | 110,578,899                            | –  |
| Employee remuneration payable                  | 849,479                                | 978,932                                    |
| Taxes payable                                  | 103,875,187                            | 185,938,684                                |
| Other payables                                 | 173,271,567                            | 173,994,541                                |
| Including: Interest payable                    | 59,931,971                             | 76,160,278                                 |
| Dividends payable                              | 88,979,103                             | 81,117,999                                 |
| Liabilities classified as held for sale        | –                                      | –  |
| Non-current liabilities due within one<br>year | 1,704,398                              | 500,841,376                                |
| Other current liabilities                      | <u>2,023,548,139</u>                   | <u>2,243,200,002</u>                       |
| <b>Total Current Liabilities</b>               | <b><u>6,148,653,226</u></b>            | <b><u>6,325,236,055</u></b>                |
| <b>Non-current liabilities:</b>                |  |  |
| Long-term borrowings                           | 14,688,674                             | 16,189,201                                 |
| Bonds payable                                  | 3,977,874,754                          | 3,970,157,835                              |
| Expected liabilities                           | 8,010,000                              | 8,010,000                                  |
| Deferred income tax liabilities                | –                                      | 24,766,288                                 |
| Other non-current liabilities                  | –                                      | –  |
| <b>Total Non-current Liabilities</b>           | <b><u>4,000,573,428</u></b>            | <b><u>4,019,123,324</u></b>                |
| <b>TOTAL LIABILITIES</b>                       | <b><u>10,149,226,654</u></b>           | <b><u>10,344,359,379</u></b>               |



| Items   | <b>Balance at<br/>the end of<br/>the period</b> | Balance at<br>the beginning of<br>the year |
|---|---|--|
| <b>OWNERS' EQUITY (OR<br/>SHAREHOLDERS' EQUITY)</b>                           |   |  |
| Paid-up capital (or share capital)  | <b>5,037,747,500</b>                            | 5,037,747,500                              |
| Capital reserve   | <b>7,327,650,327</b>                            | 7,327,650,327                              |
| Less: Treasury shares   | –   | –  |
| Other comprehensive income  | <b>514,739,669</b>                              | 362,483,691                                |
| Special reserve   | –   | –  |
| Surplus reserve   | <b>2,518,873,750</b>                            | 2,518,873,750                              |
| Retained profits  | <b>6,126,389,729</b>                            | 5,998,708,094                              |
| <b>TOTAL OWNERS' EQUITY (OR<br/>SHAREHOLDERS' EQUITY)</b>                     | <b><u>21,525,400,975</u></b>                    | <b><u>21,245,463,362</u></b>               |
| <b>TOTAL LIABILITIES AND OWNERS'<br/>EQUITY (OR SHAREHOLDERS'<br/>EQUITY)</b> | <b><u>31,674,627,629</u></b>                    | <b><u>31,589,822,741</u></b>               |

*Legal representative:*  
**Gu Dejun**

*Accounting chief:*  
**Sun Xibin**

*Person-in-charge of the  
accounting department:*  
**Ren Zhuohua**

## Consolidated Income Statement

January – September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

| Items   | Amount for<br>the Reporting<br>Period<br>(July –<br>September) | Amount for the<br>corresponding<br>period of the<br>previous year<br>(July –<br>September) | Amount for the<br>period from<br>the beginning<br>of the year<br>to the end of<br>the Reporting<br>Period<br>(January –<br>September) | Amount for the   |
|---|--|--|---|--|
|   |  |  |   | period from the<br>beginning of the<br>previous year to<br>the end of the<br>reporting period<br>of the previous<br>year<br>(January –<br>September) |
| <b>I. Total operating income</b>  | <b>2,499,923,053</b>   | 2,321,286,397  | <b>7,641,702,887</b>  | 6,990,321,462  |
| Including: Operating income   | <b>2,499,923,053</b>   | 2,321,286,397  | <b>7,641,702,887</b>  | 6,990,321,462  |
| <b>II. Total operating costs</b>  | <b>1,228,197,437</b>   | 1,163,800,433  | <b>3,942,271,026</b>  | 3,580,918,465  |
| Including: Operating costs  | <b>1,019,287,471</b>   | 965,234,623  | <b>3,275,660,646</b>  | 3,037,004,690  |
| Taxes and surcharges  | <b>21,429,362</b>  | 21,908,478   | <b>128,824,700</b>  | 67,127,345   |
| Selling expenses  | <b>7,860,157</b>   | 1,099,793  | <b>19,452,446</b>   | 9,747,052  |
| Administrative expenses   | <b>46,375,645</b>  | 43,539,242   | <b>131,875,927</b>  | 123,337,931  |
| Financial expenses  | <b>133,244,802</b>   | 132,018,297  | <b>386,457,307</b>  | 343,701,447  |
| Including: Interest expenses  | <b>118,235,982</b>   | 129,455,422  | <b>357,933,618</b>  | 337,816,349  |
| Interest income   | <b>2,114,370</b>   | 1,314,870  | <b>5,596,174</b>  | 3,913,412  |
| Add: Other income   | <b>518,133</b>   | 448,620  | <b>1,550,944</b>  | 1,371,104  |
| Investment income (loss is<br>indicated by “-”)                           | <b>214,757,204</b>   | 161,266,959  | <b>945,289,473</b>  | 452,716,122  |
| Including: Income from<br>investments in associates and<br>joint ventures | <b>176,595,355</b>   | 152,507,405  | <b>461,404,311</b>  | 370,199,520  |
| Gains from net exposure hedges<br>(loss is indicated by “-”)              | -  | -  | -   | -  |
| Gains from changes in fair<br>values (loss is indicated<br>by “-”)        | <b>44,857,499</b>  | 1,813,505  | <b>42,263,032</b>   | 4,357,385  |
| Gains from disposal of assets<br>(loss is indicated by “-”)               | <b>-543,707</b>  | -30,371  | <b>-759,212</b>   | -1,609,288   |
| Gains from foreign currencies<br>exchange (loss is indicated<br>by “-”)   | -  | -  | -   | -  |

| Items   | Amount for the Reporting Period (July – September) | Amount for the corresponding period of the previous year (July – September) | Amount for the period from the beginning of the year to the end of the Reporting Period (January – September) | Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January – September) |
|---|--|---|---|---|
| <b>III. Operating profit (loss is indicated by “-”)</b>                   | <b>1,531,314,745</b>                               | 1,320,984,677   | <b>4,687,776,098</b>  | 3,866,238,320   |
| Add: Non-operating income   | <b>1,415,955</b>                                   | 1,988,799   | <b>10,698,524</b>   | 3,714,996   |
| Less: Non-operating expenses  | <b>5,731,535</b>                                   | 6,854,313   | <b>20,760,660</b>   | 19,851,883  |
| <b>IV. Total profit (total loss is indicated by “-”)</b>                  | <b>1,526,999,165</b>                               | 1,316,119,163   | <b>4,677,713,962</b>  | 3,850,101,433   |
| Less: Income tax expenses   | <b>331,937,259</b>                                 | 291,924,567   | <b>943,423,993</b>  | 872,905,878   |
| <b>V. Net profit (net loss is indicated by “-”)</b>                       | <b>1,195,061,906</b>                               | 1,024,194,596   | <b>3,734,289,969</b>  | 2,977,195,555   |
| (I) Classified by continuity of operations                                |  |   |   |   |
| 1. Net profit from continuing operations (net loss is indicated by “-”)   | <b>1,195,061,906</b>                               | 1,024,194,596   | <b>3,734,289,969</b>  | 2,977,195,555   |
| 2. Net profit from discontinued operations (net loss is indicated by “-”) | -  | -   | -   | -   |
| (II) Classified by ownership of equity                                    |  |   |   |   |
| 1. Net profit attributable to owners of the parent company                | <b>1,163,954,555</b>                               | 996,338,534   | <b>3,652,096,620</b>  | 2,895,998,719   |
| 2. Minority interests   | <b>31,107,351</b>                                  | 27,856,062  | <b>82,193,349</b>   | 81,196,836  |

| Items  | Amount for<br>the Reporting<br>Period<br>(July –<br>September) | Amount for the<br>corresponding<br>period of the<br>previous year<br>(July –<br>September) | Amount for the<br>period from<br>the beginning<br>of the year<br>to the end of<br>the Reporting<br>Period<br>(January –<br>September) | Amount for the<br>period from the<br>beginning of the<br>previous year to<br>the end of the<br>reporting period<br>of the previous<br>year<br>(January –<br>September) |
|--|--|--|---|--|
| <b>VI. Other comprehensive income,<br/>net of tax</b>  | <b>-168,248,282</b>  | 1,700,908  | <b>1,130,197,136</b>  | -7,970,007   |
| Other comprehensive income<br>attributable to owners of the<br>parent company, net of tax                  | <b>-146,135,282</b>  | 1,700,908  | <b>983,505,962</b>  | -7,970,007   |
| (I) Other comprehensive income<br>that cannot be reclassified to<br>profit or loss                         | <b>-92,877,000</b>   | –  | <b>708,609,984</b>  | –  |
| 1. Re-measurement of<br>changes in defined<br>benefit plan   | –  | –  | –   | –  |
| 2. Other comprehensive<br>income that cannot be<br>reclassified into profit or<br>loss under equity method | –  | –  | –   | –  |
| 3. Changes in fair value of<br>other equity instruments<br>investment                                      | <b>-92,877,000</b>   | –  | <b>708,609,984</b>  | –  |
| 4. Changes in fair value<br>of the enterprise's own<br>credit risk   | –  | –  | –   | –  |
| (II) Other comprehensive income<br>that will be reclassified to<br>profit or loss                          | <b>-53,258,282</b>   | 1,700,908  | <b>274,895,978</b>  | -7,970,007   |

| Items  | Amount for<br>the Reporting<br>Period<br>(July –<br>September) | Amount for the<br>corresponding<br>period of the<br>previous year<br>(July –<br>September) | Amount for the<br>period from<br>the beginning<br>of the year<br>to the end of<br>the Reporting<br>Period<br>(January –<br>September) | Amount for the<br>period from the<br>beginning of the<br>previous year to<br>the end of the<br>reporting period<br>of the previous<br>year<br>(January –<br>September) |
|--|--|--|---|--|
| 1. Other comprehensive income that can be reclassified to profit or loss under equity method | -53,258,282  | 1,700,908  | 274,895,978   | -7,970,007   |
| Other comprehensive income attributable to minority shareholders, net of tax                 | -22,113,000  | –  | 146,691,174   | –  |
| <b>VII. Total comprehensive income</b>   | <b>1,026,813,624</b>   | 1,025,895,504  | <b>4,864,487,105</b>  | 2,969,225,548  |
| Total comprehensive income attributable to owners of the parent company                      | <b>1,017,819,273</b>   | 998,039,442  | <b>4,635,602,582</b>  | 2,888,028,712  |
| Total comprehensive income attributable to minority shareholders                             | <b>8,994,351</b>   | 27,856,062   | <b>228,884,523</b>  | 81,196,836   |
| <b>VIII. Earnings per share:</b>   |  |  |   |  |
| (1) Basic earnings per share<br><i>(RMB/share)</i>   | <b>0.2310</b>  | 0.1978   | <b>0.7249</b>   | 0.5749   |
| (2) Diluted earnings per share<br><i>(RMB/share)</i>   | –  | –  | –   | –  |
| <i>Legal representative:</i><br><b>Gu Dejun</b>  | <i>Accounting chief:</i><br><b>Sun Xibin</b>                   | <i>Person-in-charge of the<br/>accounting department:</i><br><b>Ren Zhuohua</b>            |   |  |

## Income Statement of the Parent Company

January – September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan    Currency: RMB    Type of Audit: Unaudited

| Item  | Amount for the Reporting Period (July – September) | Amount for the corresponding period of the previous year (July – September) | Amount for the   | Amount for the   |
|---|--|---|--|--|
|   |  |   | period from the beginning of the year to the end of the Reporting Period (January – September) | period from the beginning of the previous year to the end of the reporting period of the previous year (January – September) |
| <b>I. Operating income</b>  | <b>1,726,024,198</b>                               | 1,669,704,223   | <b>4,849,502,367</b>   | 4,812,465,648  |
| Less: operating costs   | <b>667,447,338</b>                                 | 685,034,825   | <b>1,916,799,429</b>   | 2,036,039,693  |
| Taxes and surcharges  | <b>11,817,133</b>                                  | 10,738,294  | <b>34,478,187</b>  | 30,689,074   |
| Selling expenses  | –  | –   | –  | –  |
| Administrative expenses   | <b>34,185,801</b>                                  | 32,309,661  | <b>93,599,131</b>  | 89,130,533   |
| Research and development expenses                                   | –  | –   | –  | –  |
| Financial expenses  | <b>111,498,724</b>                                 | 102,558,769   | <b>293,088,871</b>   | 263,324,286  |
| Including: Interest expenses  | <b>95,615,694</b>                                  | 100,215,193   | <b>276,398,001</b>   | 257,900,574  |
| Interest income   | <b>557,785</b>                                     | 561,311   | <b>1,785,949</b>   | 1,466,151  |
| Impairment losses of assets   | –  | –   | –  | –  |
| Credit impairment losses  | –  | –   | –  | –  |
| Add: Other income   | –  | –   | –  | –  |
| Investment income (loss is indicated by “-”)                        | <b>178,509,336</b>                                 | 120,519,427   | <b>497,410,115</b>   | 754,712,194  |
| Including: Income from investments in associates and joint ventures | <b>117,581,924</b>                                 | 94,369,423  | <b>304,042,483</b>   | 228,956,206  |
| Gains from net exposure hedges (loss is indicated by “-”)           | –  | –   | –  | –  |
| Gains from changes in fair values (loss is indicated by “-”)        | –  | –   | –  | –  |
| Gains from disposal of assets (loss is indicated by “-”)            | <b>-27,314</b>                                     | -11,247   | <b>66,408</b>  | 65,527   |

| Item  | Amount for the Reporting Period (July – September) | Amount for the corresponding period of the previous year (July – September) | Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January – September) | Amount for the period from the beginning of the year to the end of the Reporting Period (January – September) |
|---|--|---|---|---|
|   |  |   |   |   |
| <b>II. Operating profit (loss is indicated by “-”)</b>  | <b>1,079,557,224</b>                               | 959,570,854   | <b>3,009,013,272</b>  | 3,148,059,783   |
| Add: Non-operating income   | <b>826,515</b>                                     | 1,025,503   | <b>827,018</b>  | 1,341,966   |
| Less: Non-operating expenses  | <b>4,733,519</b>                                   | 4,556,327   | <b>15,523,428</b>   | 12,877,691  |
| <b>III. Total profit (total loss is indicated by “-”)</b>   | <b>1,075,650,220</b>                               | 956,040,030   | <b>2,994,316,862</b>  | 3,136,524,058   |
| Less: Income tax expenses   | <b>230,517,074</b>                                 | 215,417,651   | <b>650,026,326</b>  | 622,307,643   |
| <b>IV. Net profit (net loss is indicated by “-”)</b>  | <b>845,133,146</b>                                 | 740,622,379   | <b>2,344,290,536</b>  | 2,514,216,415   |
| (I) Net profit from continuing operations (net loss is indicated by “-”)                          | <b>845,133,146</b>                                 | 740,622,379   | <b>2,344,290,536</b>  | 2,514,216,415   |
| (II) Net profit from discontinued operations (net loss is indicated by “-”)                       | –  | –   | –   | –   |
| <b>V. Other comprehensive income, net of tax</b>  | <b>-20,828,282</b>                                 | 1,700,908   | <b>152,255,978</b>  | -7,970,007  |
| (I) Other comprehensive income that cannot be subsequently reclassified to profit or loss         | <b>32,430,000</b>                                  | –   | <b>-122,640,000</b>   | –   |
| 1. Re-measurement of changes in defined benefit plan  | –  | –   | –   | –   |
| 2. Other comprehensive income that cannot be reclassified into profit or loss under equity method | –  | –   | –   | –   |
| 3. Changes in the fair value of investments in other equity instruments                           | <b>32,430,000</b>                                  | –   | <b>-122,640,000</b>   | –   |
| 4. Changes in fair value of the enterprise’s own credit risk                                      | –  | –   | –   | –   |

| Item   | Amount for the Reporting Period (July – September) | Amount for the corresponding period of the previous year (July – September) | Amount for the period from the beginning of the year to the end of the Reporting Period (January – September) | Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January – September) |
|--|--|---|---|---|
| (II) Other comprehensive income that will be reclassified to profit or loss                  | -53,258,282  | 1,700,908   | 274,895,978   | -7,970,007  |
| 1. Other comprehensive income that can be reclassified to profit or loss under equity method | -53,258,282  | 1,700,908   | 274,895,978   | -7,970,007  |
| <b>VI. Total comprehensive income</b>  | <b>824,304,864</b>                                 | <b>742,323,287</b>  | <b>2,496,546,514</b>  | <b>2,506,246,408</b>  |
| <b>VII. Earnings per share</b>   |  |   |   |   |
| (I) Basic earnings per share (RMB/share)   | 0.1678   | 0.1470  | 0.4653  | 0.4991  |
| (II) Diluted earnings per share (RMB/share)  | -  | -   | -   | -   |
| <i>Legal representative:</i><br><b>Gu Dejun</b>  | <i>Accounting chief:</i><br><b>Sun Xibin</b>       | <i>Person-in-charge of the accounting department:</i><br><b>Ren Zhuohua</b> |   |   |



## Consolidated Cash Flow Statement

January – September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

| Item   | Amount for the<br>period from<br>the beginning<br>of the year<br>to the end of<br>the Reporting<br>Period<br>(January –<br>September) | Amount for the<br>period from the<br>beginning of the<br>previous year to<br>the end of the<br>reporting period<br>of the previous<br>year<br>(January –<br>September) |
|--|---|--|
| <b>I. Cash flows from operating activities:</b>                    |   |  |
| Cash receipts from the sale of goods and the rendering of services | 7,572,180,183   | 7,211,258,174  |
| Other cash receipts relating to operating activities               | 116,412,438   | 143,347,178  |
| <b>Subtotal of cash inflows from operating activities</b>          | <b>7,688,592,621</b>  | 7,354,605,352  |
| Cash payments for goods purchased and service received             | 1,482,078,694   | 1,660,240,343  |
| Cash payments to and on behalf of employees                        | 627,913,561   | 567,891,682  |
| Taxes payment  | 1,210,692,870   | 1,098,746,602  |
| Other cash payments relating to operating activities               | 121,878,402   | 80,730,720   |
| <b>Sub-total of cash outflows from operating activities</b>        | <b>3,442,563,527</b>  | 3,407,609,347  |
| <b>Net cash flows from operating activities</b>                    | <b>4,246,029,094</b>  | 3,946,996,005  |

| <b>Item</b>  | <b>Amount for the<br/>period from<br/>the beginning<br/>of the year<br/>to the end of<br/>the Reporting<br/>Period<br/>(January –<br/>September)</b> | <b>Amount for the<br/>period from the<br/>beginning of the<br/>previous year to<br/>the end of the<br/>reporting period<br/>of the previous<br/>year<br/>(January –<br/>September)</b> |
|--|--|--|
| <b>II. Cash flows from investing activities:</b>   |  |  |
| Cash receipts from disposals of investments  | <b>3,993,100,000</b>   | 3,251,453,747  |
| Cash receipts from investment income   | <b>269,311,527</b>   | 204,119,233  |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets   | <b>57,731,851</b>  | 394,871,520  |
| Net cash received from disposal of subsidiaries and other business entities                      | –  | –  |
| Other cash receipts relating to investing activities   | <b>430,771,364</b>   |  |
| <b>Sub-total of cash inflows from investing activities</b>                                       | <b>4,750,914,742</b>   | 3,850,444,500  |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | <b>2,331,689,603</b>   | 5,933,131,014  |
| Cash payments for investments  | <b>4,237,155,888</b>   | 3,564,005,087  |
| Net increase in pledged loans  | –  | –  |
| Net cash paid for acquisition of subsidiaries and other business entities                        | –  | –  |
| Other cash payments relating to investing activities   | <b>480,000,000</b>   | 120,000,000  |
| <b>Sub-total of cash outflows from investing activities</b>                                      | <b>7,048,845,491</b>   | 9,617,136,101  |
| <b>Net cash flows from investing activities</b>  | <b><u>-2,297,930,749</u></b>   | <b><u>-5,766,691,601</u></b>   |

| <b>Item</b>   | <b>Amount for the<br/>period from<br/>the beginning<br/>of the year<br/>to the end of<br/>the Reporting<br/>Period<br/>(January –<br/>September)</b> | <b>Amount for the<br/>period from the<br/>beginning of the<br/>previous year to<br/>the end of the<br/>reporting period<br/>of the previous<br/>year<br/>(January –<br/>September)</b> |
|---|--|--|
| <b>III. Cash flows from financing activities:</b>   |  |  |
| Cash received from investors  | <b>664,482,752</b>   | 1,618,445,170  |
| Including: Cash received by<br>subsidiaries from minority<br>shareholders' investment           | <b>664,482,752</b>   | 1,618,445,170  |
| Cash receipts from borrowings   | <b>5,667,000,000</b>   | 6,506,900,000  |
| Cash receipts from issuance of bonds  | <b>2,997,489,178</b>   | 4,995,365,827  |
| Other cash receipts relating to<br>financing activities   | –  | –  |
| <b>Sub-total of cash inflows from<br/>financing activities</b>                                  | <b>9,328,971,930</b>   | 13,120,710,997   |
| Cash repayments of borrowings   | <b>8,226,979,797</b>   | 8,501,704,918  |
| Cash payments for distribution of<br>dividends or profits or settlement of<br>interest expenses | <b>2,665,141,042</b>   | 2,527,369,000  |
| Including: Dividends, profits paid<br>to minority shareholders by<br>subsidiaries               | –  | 72,856,987   |
| Other cash payments relating to<br>financing activities   | <b>19,476,283</b>  | 9,291,994  |
| <b>Sub-total of cash outflows from<br/>financing activities</b>                                 | <b>10,911,597,122</b>  | 11,038,365,912   |
| <b>Net cash flows from financing<br/>activities</b>   | <b><u>-1,582,625,192</u></b>   | <b><u>2,082,345,085</u></b>  |

| <b>Item</b>   | <b>Amount for the<br/>period from<br/>the beginning<br/>of the year<br/>to the end of<br/>the Reporting<br/>Period<br/>(January –<br/>September)</b> | <b>Amount for the<br/>period from the<br/>beginning of the<br/>previous year to<br/>the end of the<br/>reporting period<br/>of the previous<br/>year<br/>(January –<br/>September)</b> |
|---|--|--|
| <b>IV. Effects of changes in foreign<br/>exchange rate on cash and cash<br/>Equivalents</b> | –  | –  |
| <b>V. Net increase in cash and cash<br/>equivalents</b>                                     | <b>365,473,153</b>   | 262,649,489  |
| Add: Opening balance of cash and<br>cash equivalents  | <b>262,758,700</b>   | 194,272,978  |
| <b>VI. Closing balance of cash and cash<br/>equivalents</b>                                 | <b>628,231,853</b>   | 456,922,467  |

|   |  |   |
|---|--|---|
| <i>Legal representative:</i><br><b>Gu Dejun</b> | <i>Accounting chief:</i><br><b>Sun Xibin</b> | <i>Person-in-charge of the<br/>accounting department:</i><br><b>Ren Zhuohua</b> |
|---|--|---|

## Cash Flow Statement of the Parent Company

January – September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan    Currency: RMB    Type of Audit: Unaudited

| Item   | Amount for the period from the beginning of the year to the end of the Reporting Period (January–September) | Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September) |
|--|---|---|
| <b>I. Cash flows from operating activities:</b>                    |   |   |
| Cash receipts from the sale of goods and the rendering of services | 5,136,364,270   | 5,121,353,668   |
| Tax refunds  | –   | –   |
| Other cash receipts relating to operating activities               | 61,674,956  | 13,397,986  |
| <b>Subtotal of cash inflows from operating activities</b>          | <b>5,198,039,226</b>  | <b>5,134,751,654</b>  |
| Cash payments for goods purchased and service received             | 1,148,060,790   | 1,386,833,133   |
| Cash payments to and on behalf of employees                        | 415,513,586   | 370,694,747   |
| Taxes payment  | 914,413,753   | 839,238,993   |
| Other cash payments relating to operating activities               | 48,862,905  | 32,181,270  |
| <b>Sub-total of cash outflows from operating activities</b>        | <b>2,526,851,034</b>  | <b>2,628,948,143</b>  |
| <b>Net cash flows from operating activities</b>                    | <b>2,671,188,192</b>  | <b>2,505,803,511</b>  |

| <b>Item</b>  | <b>Amount for the period from the beginning of the year to the end of the Reporting Period (January–September)</b> | Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September) |
|--|--|---|
| <b>II. Cash flows from investing activities:</b>   |  |   |
| Cash receipts from disposals of investments  | <b>3,148,000,000</b>   | 1,754,900,000   |
| Cash receipts from investment income   | <b>290,603,467</b>   | 619,422,420   |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets   | <b>57,719,500</b>  | 394,963,870   |
| Net cash received from disposal of subsidiaries and other business entities                      | –  | –   |
| Other cash receipts relating to investing activities   | <b>369,000,000</b>   | 100,000,000   |
| <b>Sub-total of cash inflows from investing activities</b>                                       | <b>3,865,322,967</b>   | 2,869,286,290   |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | <b>45,176,653</b>  | 63,767,927  |
| Cash payments for investments  | <b>3,292,019,800</b>   | 3,907,996,830   |
| Net cash paid for acquisition of subsidiaries and other business entities                        | –  | –   |
| Other cash payments relating to investing activities   | <b>530,000,000</b>   | 120,000,000   |
| <b>Sub-total of cash outflows from investing activities</b>                                      | <b>3,867,196,453</b>   | 4,091,764,757   |
| <b>Net cash flows from investing activities</b>  | <b><u><u>-1,873,486</u></u></b>  | <b><u><u>-1,222,478,467</u></u></b>   |

| Item  | <b>Amount for the<br/>period from<br/>the beginning<br/>of the year<br/>to the end of<br/>the Reporting<br/>Period<br/>(January–<br/>September)</b> | Amount for the<br>period from the<br>beginning of the<br>previous year to<br>the end of the<br>reporting period<br>of the previous<br>year (January–<br>September) |
|---|---|--|
| <b>III. Cash flows from financing activities:</b>   |   |  |
| Cash received from investors  | –   | –  |
| Cash receipts from borrowings   | <b>4,850,000,000</b>  | 3,909,000,000  |
| Cash receipts from issuance of bonds  | <b>2,997,489,178</b>  | 4,995,365,827  |
| Other cash receipts relating to<br>financing activities   | <b>0</b>  |  |
| <b>Sub-total of cash inflows from<br/>financing activities</b>                                  | <b>7,847,489,178</b>  | 8,904,365,827  |
| Cash repayments of borrowings   | <b>7,984,629,797</b>  | 7,837,704,918  |
| Cash payments for distribution of<br>dividends or profits or settlement of<br>interest expenses | <b>2,545,548,582</b>  | 2,375,198,856  |
| Other cash payments relating to<br>financing activities   | <b>6,476,283</b>  | 9,291,994  |
| <b>Sub-total of cash outflows from<br/>financing activities</b>                                 | <b>10,536,654,662</b>   | <u>10,222,195,768</u>  |
| <b>Net cash flows from financing<br/>activities</b>   | <b><u>-2,689,165,484</u></b>  | <b><u>-1,317,829,941</u></b>   |
| <b>IV. Effects of changes in foreign<br/>exchange rate on cash and cash<br/>Equivalents</b>     |   |  |
| <b>V. Net increase in cash and cash<br/>equivalents</b>   |   |  |
|   | <b>-19,850,778</b>  | -34,504,897  |
| Add: Opening balance of cash and<br>cash equivalents  | <b>135,125,679</b>  | 98,649,203   |
| <b>VI. Closing balance of cash and cash<br/>equivalents</b>                                     |   |  |
|   | <b>115,274,901</b>  | 64,144,306   |

*Legal representative:*  
**Gu Dejun**

*Accounting chief:*  
**Sun Xibin**

*Person-in-charge of the  
accounting department:*  
**Ren Zhuohua**

## 4.2 Auditors' Report

Applicable       Not applicable

By order of the Board  
**Jiangsu Expressway Company Limited**  
**Gu Dejun**  
*Chairman*

Nanjing, the PRC, 26 October 2018

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

*Gu Dejun, Sun Xibin, Yao Yongjia, Chen Yanli, Chen Yongbing, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Zhuting\*, Chen Liang\*, Lin Hui\*, Zhou Shudong\* and Liu Xiaoxing\**

\* *Independent Non-executive Directors*