江 蘇 寧 滬 高 速 公 路 股 份 有 限 公 司
JIANGSU EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 177)

Summary of 2009 Interim Results

Information set out in paragraphs 1.3, 2.3, 3.1, 5, 6.6 is made pursuant to rule 13.49(6) and paragraph 46 of Appendix 16 of the Hong Kong Listing Rules.

Other information is disclosed in this announcement pursuant to the requirements of the Shanghai Stock Exchange and rule 13.09 (2) of the Hong Kong Listing Rules.

§1 IMPORTANT

1.1 The board of directors (the "Board"), the supervisory committee and the directors, supervisors and senior management of Jiangsu Expressway Company Limited (the "Company") warrant that there are no false representations or misleading statements contained in, or material omissions from this report; and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of this report in all material respects.

This summary is extracted from the interim report, the full text of which is posted on the following websites: www.sse.com.cn, www.hkex.com.hk and www.jsexpressway.com. Investors should read the full text of the interim report carefully for details.

1.2 All directors of the Company attended the Board meeting.

1.3 The financial statements in this interim report are unaudited operating results prepared in accordance with PRC Accounting Standards for Business Enterprises ("PRC Accounting Standards") and Hong Kong Financial Reporting Standards ("HKFRS") and have been reviewed by the audit committee of the Company.

1.4 No appropriation of funds on a non-recurring basis by the controlling shareholder or its related parties was found in the Company.

1.5 The Company did not provide external guarantees which were in violation of stipulated decision-making procedures.

1.6 Mr. Shen Chang Quan, Chairman of the Company, Mr. Qian Yong Xiang, Director and General Manager, and Ms. Liu Wei, Deputy General Manager and Financial Controller warrant the truthfulness and completeness of the financial statements in this interim report in all material respects.

§2 BASIC INFORMATION OF THE LISTED COMPANY

2.1 Overview

Abbreviation of Stock Name	寧滬高速 (A Shares)	Jiangsu Expressway (H Shares)	JEXWW (ADR)
Stock Code	600377	0177	477373104
Stock Exchanges where the Company's shares are listed	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	United States
	Secretary to the Board	Representatives of the Securities Offices	
Name	Yao Yong Jia	Jiang Tao and Lou Qing	
Offices Correspondence Address	6 Maqun Road, Nanjing, Jiangsu		
Telephone Number	8625-84469332	8625-84362700-301836, 301835	
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E-mail Address	nhgs@jsexpressway.com		

2.2 Major financial data and indices (prepared in accordance with PRC Accounting Standards)

2.2.1 *Major accounting data and financial indices*

Unit: RMB'000

	As at the end of the reporting period	As at the end of the previous year	Increase/(decrease) of the end of the reporting period as compared to the end of the previous year (%)
Total Assets	24,575,755	24,775,429	-0.81
Equity attributable to owners of the Company	15,709,644	15,968,921	-1.62
Net assets per share attributable to owners of the Company (RMB)	3.12	3.17	-1.62

	The reporting period (January-June 2009)	The corresponding period of the previous year (January-June 2008)	Increase/(decrease) of the reporting period as compared to the corresponding period of the previous year (%)
Operating Profit	1,292,241	1,150,347	12.33
Profit before tax	1,292,452	1,144,296	12.95
Net profit attributable to owners of the Company	965,097	842,289	14.58
Net profit attributable to owners of the Company after non-recurring profit/loss	961,270	844,288	13.86
Basic earnings per share (RMB)	0.19	0.17	14.58
Basic earnings per share after non-recurring profit/loss (RMB)	0.19	0.17	13.86
Diluted earnings per share (RMB)	0.19	0.17	14.58
Return on net assets (%)	6.14	5.54	10.83
Net cash flow from operating activities	1,386,118	1,258,443	10.15
Net cash flow per share from operating activities (RMB)	0.28	0.25	10.15

2.2.2 *Non-recurring profit/loss and the amounts*

☑ Applicable ☐ Not applicable

Unit: RMB'000

Item	**January-June 2009**
Loss from disposal of non-current assets	(1,759)
Government subsidies	190
Gain from change of fair value	3,545
Other non-operating income and expenses, net	1,970
Tax effect of non-recurring profit/loss	(100)
Effects of minority shareholders profit/(loss)	(19)
Total	3,827

2.3 Financial statements prepared in accordance with HKFRS

1. CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.6.2009	**30.6.2008**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited & Restated)*
Revenue	2,608,191	2,542,982
Cost of sales	(1,155,773)	(1,139,639)
Gross profit	1,452,418	1,403,343
Other income	10,541	11,358
Administrative expenses	(47,882)	(55,016)
Finance costs	(197,334)	(268,587)
Share of profits of associates	91,013	72,593
Changes in fair value of held-for-trading investments	3,545	1,634
Gain on disposal of a subsidiary	—	1,072
Profit before tax	1,312,301	1,166,397
Income tax expense	(301,463)	(278,129)
Profit for the period	1,010,838	888,268
Attributable to:		
Owners of the Company	984,945	864,391
Minority interests	25,893	23,877
	1,010,838	888,268
Earnings per share attributable to owners of the Company		
– Basic (RMB per share)	0.20	0.17

2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.6.2009	**30.6.2008**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Profit for the period	1,010,838	888,268
Other comprehensive income		
Share of an associate's reserve arising from the fair value change of the associate's available-for-sale financial assets	135,819	—
Total comprehensive income for the period	1,146,657	888,268
Total comprehensive income attributable to:		
Owners of the Company	1,120,764	864,391
Minority interests	25,893	23,877
	1,146,657	888,268

3. CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2009

	30.6.2009	**31.12.2008**
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Non-current assets		
Property, plant and equipment	1,427,995	1,501,952
Concession Intangible assets	17,927,878	18,214,241
Prepaid lease payments	1,062,622	1,095,262
Interests in associates	1,841,902	1,870,764
Available-for-sale financial assets	150,567	13,668
Deferred tax assets	5,336	5,336
	22,416,300	22,701,223
Current assets		
Inventories	11,694	9,951
Properties under development	—	106,950
Completed properties held for sale	66,758	—
Prepayments and other receivables	107,800	57,890
Prepaid lease payments	65,280	65,280
Held-for-trading investments	47,952	39,967
Bank balances and cash	546,247	460,593
	845,731	740,631

	30.6.2009	31.12.2008
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Current liabilities		
Other payables	195,622	334,364
Construction costs payable	151,878	279,184
Tax liabilities	84,439	156,756
Dividend payable	711,622	32,735
Long-term borrowings - due within one year	201,693	201,693
Short-term borrowings	2,360,000	2,650,000
	3,705,254	3,654,732
Net current liabilities	(2,859,523)	(2,914,101)
Total assets less current liabilities	19,556,777	19,787,122
Non-current liabilities		
Deferred tax liabilities	1,861	974
Long-term borrowings - due after one year	4,712,983	4,711,985
	4,714,844	4,712,959
Net assets	14,841,933	15,074,163
Capital and reserves		
Share capital	5,037,748	5,037,748
Share premium and reserves	9,358,171	9,597,599
Equity attributable to owners of the Company	14,395,919	14,635,347
Minority interests	446,014	438,816
Total equity	14,841,933	15,074,163

4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Attributable to equity holders of the Company							
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus reserve *RMB'000*	Investment revaluation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Minority interests *RMB'000*	Total *RMB'000*
At 1 January 2008 (audited)	5,037,748	5,730,454	1,350,008	—	2,218,404	14,336,614	429,335	14,765,949
Profit and total comprehensive income for the period	—	—	—	—	864,391	864,391	23,877	888,268
Dividends recognised as distribution	—	—	—	—	(1,360,192)	(1,360,192)	(15,551)	(1,375,743)
Reserves of disposed subsidiary released	—	—	(2,524)	—	2,524	—	—	—
At 30 June 2008 (unaudited)	5,037,748	5,730,454	1,347,484	—	1,725,127	13,840,813	437,661	14,278,474
At 1 January 2009 (audited)	5,037,748	5,730,454	1,524,823	66,716	2,275,606	14,635,347	438,816	15,074,163
Profit for the period	—	—	—	—	984,945	984,945	25,893	1,010,838
Share of an associate's reserve arising from the fair value change of the associate's available-for-sale financial assets	—	—	—	135,819	—	135,819	—	135,819
Total comprehensive income for the period	—	—	—	135,819	984,945	1,120,764	25,893	1,146,657
Dividends recognised as distribution	—	—	—	—	(1,360,192)	(1,360,192)	(18,695)	(1,378,887)
At 30 June 2009 (unaudited)	5,037,748	5,730,454	1,524,823	202,535	1,900,359	14,395,919	446,014	14,841,933

5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.6.2009	**30.6.2008**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Net cash from operating activities	1,386,118	1,256,837
Investing activities		
Purchase of property, plant and equipment	(50,544)	(629,529)
Payment for acquisition of concession intangible assets	(90,000)	—
Purchase of intangible assets	—	(55,552)
Dividends received from associates	79,678	88,480
Disposal of a subsidiary	—	(29,787)
Proceeds on disposal of property, plant and equipment	206	—
Other investing cash flows	(4,440)	3,299
Net cash used in investing activities	(65,100)	(623,089)
Financing activities		
New borrowings raised	3,060,000	5,619,660
Dividends paid	(700,000)	(1,177,883)
Dividends paid to minority shareholders	—	(15,551)
Interest paid	(244,517)	(243,789)
Repayment of borrowings	(3,350,847)	(5,256,137)
Net cash used in financing activities	(1,235,364)	(1,073,700)
Net increase (decrease) in cash and cash equivalents	86,654	(439,952)
Cash and cash equivalents at 1 January	460,593	1,128,947
Cash and cash equivalents at 30 June		
Bank balances and cash	546,247	688,995

2.4 Differences between the PRC Accounting Standards and HKFRS

☑ Applicable ☐ Not applicable

Unit: RMB'000

	Net Profit		Net Asset	
	The reporting period	**The corresponding period of the previous year**	**As at the end of the reporting period**	**As at the end of the previous year**
Under PRC Accounting Standards	990,990	866,166	16,155,657	16,407,736
HKFRS adjustments:				
Revaluation gain and depreciation/amortisation of fixed assets/toll road operating rights	19,848	22,102	(1,313,724)	(1,333,573)
Adjusted balance under HKFRS	1,010,838	888,268	14,841,933	15,074,163

§3 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

3.1 Changes in share capital

☑ Applicable ☐ Not applicable

During the reporting period, there has been no change to the total number of shares of the Company. As the circulating shareholders with selling restrictions have completed the relevant procedures and the shares were listed in batches after the completion of the Share Segregation Reform, the Company's share capital structure has been changed:

	Prior to current movement		Current Movement (+,-)	After current movement	
	Number of shares	Proportion	The circulation of shares subject to selling restrictions	Number of shares	Proportion
I. Shares subject to selling restrictions					
1. State-owned shares	2,742,578,825	54.44%	0	2,742,578,825	54.44%
2. State-owned legal person shares	589,059,077	11.69%	0	589,059,077	11.69%
3. Other domestic shares	63,223,518	1.26%	-2,851,900	60,371,618	1.20%
Including: Domestic legal person shares	63,223,518	1.26%	-2,851,900	60,371,618	1.20%
Domestic natural person shares	—	—	—	—	—
4. Foreign shares	—	—	—	—	—
Including: Foreign legal person shares	—	—	—	—	—
Foreign natural person shares	—	—	—	—	—
Total shares subject to selling restrictions	3,394,861,420	67.39%	-2,851,900	3,392,009,520	67.33%
II. Circulating shares not subject to selling restrictions					
1. RMB-denominated ordinary shares	420,886,080	8.35%	+2,851,900	423,737,980	8.41%
2. Domestic listed foreign shares	—	—	0	—	—
3. Foreign listed foreign shares	1,222,000,000	24.26%	0	1,222,000,000	24.26%
4. Others	—	—	0	—	—
Total circulating shares not subject to selling restrictions	1,642,886,080	32.61%	+2,851,900	1,645,737,980	32.67%
III. Shares in total	5,037,747,500	100%	0	5,037,747,500	100%

3.2 Number of shareholders and their shareholdings

Unit: Share

Total number of shareholders at the end of the reporting period						63,263
Shareholding of the Top Ten Shareholders						
Name of shareholder	**Change during the reporting period (+.-)**	**Number of shares held at the end of the reporting period (shares)**	**Shareholding percentage (%)**	**Number of shares held subject to selling restrictions**	**Number of shares pledged or frozen**	**Type of shareholder**
Jiangsu Communications Holdings Company Ltd.	—	2,742,578,825	54.44	2,742,578,825	0	State-owned legal person
Huajian Transportation Economic Development Centre	—	589,059,077	11.69	589,059,077	0	State-owned legal person
Capital Research and Management Company	+35,306,000	146,644,000	2.91	0	Unknown	Foreign legal person
FIL Limited	-24,476,149	73,219,838	1.45	0	Unknown	Foreign legal person
Bank of America Corporation/ Columbia Wanger Asset Management, L.P.	—	63,878,000	1.27	0	Unknown	Foreign legal person
Huaxia Securities Co., Ltd. (華夏證券有限公司)	—	21,160,000	0.42	21,160,000	Unknown	Others
Shenyin & Wanguo Securities Co., Ltd (申銀萬國證券股份有限公司)	—	13,950,000	0.28	0	Unknown	Others
Shanghai Haiji Investment Development Co., Ltd (上海海基投資發展有限公司)	—	12,650,000	0.25	0	Unknown	Others
Winner Glory Development Ltd	—	12,000,000	0.24	0	Unknown	Others
Kun Shan City Land Development Centre (昆山市土地開發中心)	—	7,500,000	0.15	0	Unknown	Others

Shareholdings of the Top Ten Holders of Circulating A Shares		
Name of shareholder	**Number of shares held at the end of the reporting period (shares)**	**Category of the shares held**
Shenyin & Wanguo Securities Co., Ltd (申銀萬國證券股份有限公司)	13,950,000	RMB-denominated ordinary shares
Shanghai Haiji Investment Development Co., Ltd (上海海基投資發展有限公司)	12,650,000	RMB-denominated ordinary shares
Kun Shan City Land Development Centre (昆山市土地開發中心)	7,500,000	RMB-denominated ordinary shares
Jiangsu Power Company (江蘇省電力公司)	6,534,627	RMB-denominated ordinary shares
Jiangsu High Technology Investment Group Co., Ltd (江蘇高科技投資集團有限公司)	4,800,000	RMB-denominated ordinary shares
China Communications Construction Company Limited (中國交通建設股份有限公司)	3,000,000	RMB-denominated ordinary shares
Pictet Assets Management Company Limited-Pictet Fund (Lux) (百達資產管理有限公司－百達基金(盧森堡))	3,000,000	RMB-denominated ordinary shares
GEAM Trust China A Share Fund (GEAM信託基金中國A股基金)	2,679,189	RMB-denominated ordinary shares
Guotai Jinding Value Selection Hybrid Securities Investment Fund (國泰金鼎價值精選混合型證券投資基金)	2,361,960	RMB-denominated ordinary shares
Changzhou Wujin Investment Company (常州市武進投資公司)	2,288,800	RMB-denominated ordinary shares
Details of the above shareholders who are connected to each other or acting in concert	The Company is not aware of the above shareholders who are connected to each other or acting in concert.	

3.3 Change of the Controlling Shareholder and the de facto Controller of the Company

☐ Applicable ☑ Not applicable

§4. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

4.1 Changes in the shareholding interests of directors, supervisors and senior management

☐ Applicable ☑ Not applicable

§5. MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Statement of Principal Operations' Status by Operations and Products

From January to June 2009, the Group realized total operating revenues of approximately RMB2,679,272,000 in aggregate, up approximately 2.42% over the same period of 2008, of which toll revenue amounted to approximately RMB1,994,194,000, representing a decrease of approximately 2.04% as compared to the same period of 2008. Revenue from ancillary services amounted to approximately RMB510,623,000, down approximately 9.33% as compared to the same period of 2008. Revenue from other operations was approximately RMB174,455,000, up approximately 921.04% from the same period of 2008. During the reporting period, the Group's investment income increased by 22.43% year-on-year and finance expenses decreased by 27.02%, together with the contribution from other operations, enabling the Group to achieve good performance in operating results. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB1,292,241,000 during the reporting period, an increase of approximately 12.33% over the same period of 2008. Net profit attributable to owners of the Company was approximately RMB965,097,000 and earnings per share was approximately RMB0.19, an increase of approximately 14.58% over the same period of 2008. Under HKFRS, profit after taxation attributable to owners of the Company was approximately RMB984,945,000 and earnings per share was approximately RMB0.20, an increase of approximately 13.95% over the same period of the previous year.

Operating status of each operation is as follows:

Unit: RMB '000

	Operating revenue		Operating costs		Gross margin (%)	
Item	2009 RMB'000	year-on-year change (%)	2009 RMB'000	year-on-year change (%)	2009	year-on-year change
Toll road	1,994,194	-2.04	528,514	-8.24	73.50	Up 1.79 percentage points
Shanghai-Nanjing Expressway	1,635,553	1.36	337,899	-0.10	79.34	Up 0.3 percentage point
Shanghai-Nanjing Section of G312	66,278	-28.13	119,007	-5.45	-79.56	Down 43.07 percentage points
Nanjing Section of Nanjing-Lianyungang Highway	17,010	-25.49	8,555	-32.64	49.71	Up 5.34 percentage points
Guangjing Xicheng Expressways	275,353	-10.34	63,053	-36.42	77.10	Up 9.39 percentage points
Ancillary services	510,623	-9.33	488,443	-10.77	4.34	Up 1.54 percentage points
Other operations	174,455	921.04	126,880	2,121.29	27.27	Down 39.3 percentage points
Total	2,679,272	2.42	1,143,837	1.31	57.31	Up 0.47 percentage point

i. Toll road and bridge operations

In the first half of 2009, boosted by a series of economic stimulus plans implemented by the State and the proactive fiscal policies and moderately loose monetary policies, the economic operation in China was better than expected, achieving a GDP growth rate of 7.1% year-on-year. Meanwhile, the economic operation in Jiangsu Province has gradually improved. In the first half of the year, the provincial GDP saw a growth of 11.2% year-on-year, being 4.1 percentage points higher than the national average. Currently, an economic trend of stabilization and rebound has been emerging, and demand for transportation has bottomed out and re-climbed.

Although economic indices and operating data have seen quarter-on-quarter improvements, the real economy continued to be impacted by the economic crisis in the first half of the year. Demand for road transportation, especially cargo transportation, was lower than the previous year, which was reflected in the decreases to various degrees in the proportion of traffic volume of trucks along the Company's toll roads. As considerably impacted by the macro-economic environment, the Group realized a total toll revenue from roads and bridges of approximately RMB1,994,194,000 during the reporting period, representing a decrease of 2.04% as compared to the same period of 2008. Total toll revenue represented 74.43% of the Group's total operating revenue, a year-on-year drop of 3.39 percentage points. The operating performance of each road and bridge project is as follows:

Comparison of average daily traffic volumes and toll revenues

Road/Bridge	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	Reporting period	Same period of the previous year	Change (%)	Reporting period	Same period of the previous year	Change (%)
Shanghai-Nanjing Expressway	49,348	46,377	6.41	9,036.2	8,865.6	1.92
Shanghai-Nanjing Section of G312	22,342	29,879	-25.22	366.2	506.7	-27.73
Nanjing Section of Nanjing-Lianyungang Highway	4,872	6,773	-28.06	94.0	125.4	-25.04
Guangjing Expressway	33,994	38,252	-11.13	541.7	624.4	-13.24
Xicheng Expressway	35,913	38,554	-6.85	979.6	1,063.0	-7.85
Jiangyin Yangtze Bridge	39,408	42,900	-8.14	1,860.7	2,143.2	-13.18
Sujiahang Expressway	28,481	24,784	14.92	2,001.1	1,717.2	16.53

Despite being affected by the general economic environment, Shanghai-Nanjing Expressway still posted a growth of 6.41% on its traffic volume during the reporting period, mainly due to: the negative impact on traffic volume arising from the expansion project of the Shanghai Section has been eliminated following completion in early 2009; the snowstorms during the period of the end of January to the beginning of February 2008 led to a lower operating comparison basis for the period of the previous year; and the production and sales of civil vehicles were buoyant in the first half of 2009 boosted by the "Revival Plan for the Car Industry" implemented by the State. Accordingly, traffic volume of passenger vehicles along Shanghai-Nanjing Expressway between the period of January to June recorded a growth of 12.95%. Nevertheless, affected by the economic crisis, traffic volume of trucks decreased by 6.74% year-on-year during the same period. The average daily truck traffic accounted for approximately 29.2% of the average daily traffic volume, a decrease of 4.1 percentage points year-on-year. Average daily toll revenue from trucks accounted for 48.5% of the average daily toll revenue, a decrease of 4.8 percentage points. Accordingly, average daily toll full-trip revenue per vehicle amounted to approximately RMB183.1, a decrease of RMB8.1 year-on-year. Benefiting from the growth in traffic volume of passenger vehicles, coupled with a considerable positive effect brought by the adjustment to toll standards for overloaded trucks along expressways throughout the province since 1 March 2009, the average daily traffic volume and average daily toll revenue along Shanghai - Nanjing Expressway saw slight growths. As a result, the expressway achieved a better overall performance than expected at the beginning of the year.

As a result of closures of highways due to the snowstorms at the beginning of 2008, G312 took over a large portion of traffic diversions during that period. Accordingly, the operating comparison basis was relatively high, which led to a significant year-on-year change in traffic volume. Meanwhile, since 1 March 2009, Jiangsu Province scrapped toll tariffs on Class 2 highways for which the government repays the loans, certain Class 2 highways have diverted some traffic from G312, thereby leading to declines in traffic volume, revenue and gross profit margin of G312 during the period. Nanjing-Lianyungang Highway continued to be affected by traffic diversions from neighboring road networks which saw its traffic volume drop further. However, its overall traffic volume was basically at par with that in the fourth quarter of 2008.

In the first half of 2009, besides the impact of the economic factors, the operating performances of Guangjing Expressway, Xicheng Expressway and Jiangyin Yangtze Bridge were still affected by significant traffic diversions to Sutong Bridge which commenced operation in May 2008. Accordingly, average daily traffic volumes and average daily toll revenues generated from these three projects decreased significantly during the reporting period. On the other hand, Sujiahang Expressway continued to benefit from positive stimulating effects upon the opening of Sutong Bridge. The relevant impacts of Sutong Bridge will gradually stabilize in the second half of 2009.

ii. Ancillary services

In the first half of 2009, the Group's revenue from ancillary services in the service areas amounted to approximately RMB510,623,000, down approximately 9.33% over the same period of the previous year. Among such revenue, sales of petroleum products amounted to approximately RMB443,346,000, down approximately 10.23% year-on-year, representing 86.82% of the total revenue from ancillary services, which was mainly affected by the decreases in sales volume of oil products and in the prices of petroleum products. Other operations such as catering and retailing contributed

RMB67,277,000 in revenue, representing a decrease of approximately 2.92% over the same period of the previous year. This was mainly due to a decline in traffic volumes of parked vehicles consuming at the service areas under the impact of the economic crisis.

iii. Other operations

Other businesses of the Company mainly comprise the project development and operations of two subsidiaries, Jiangsu Ninghu Properties Co., Ltd. ("Ninghu Properties") and Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment"). Ninghu Investment is principally engaged in the distribution of advertising media along Shanghai-Nanjing Expressway and in other industrial investments. Ninghu Properties is principally engaged in properties development and operation. It was established in July 2008 and no substantial progress was made in the relevant business during the reporting period.

Other operations merely include advertising business in the same period of the previous year. The sales of the Kun Shan Properties Project (昆山房地產項目) developed by Ninghu Investment was newly incorporated into this operation during the reporting period, leading to significant increases in operating revenue and costs as compared to the same period of the previous year. During the reporting period, revenue from other operations amounted to approximately RMB174,455,000, representing an increase of approximately 921.04% year-on-year. Of such amount, properties projects realized a sales revenue of RMB152,483,000 while the advertising business recorded a revenue of RMB21,972,000, representing an increase of 28.6% year-on-year. With the additional properties business developed by Ninghu Investment, costs of other operations jumped significantly by 2,121.29% to approximately RMB 126,880,000 during the reporting period. Gross profit margin was 27.27%, down 39.3 percentage points.

iv. Operating costs

During the reporting period, operating costs amounted to approximately RMB1,143,837,000 in aggregate, representing an increase of 1.31% year-on-year. Of such amount, operating costs of toll road operations amounted to approximately RMB528,514,000, representing a decrease of 8.24% year-on-year. The gross profit margin increased by 1.79 percentage points. The cost structure is set out below:

Operating cost items of toll road operation	The reporting period (RMB'000)	Percentage to total operating costs (%)	The corresponding period of the previous year (RMB'000)	Percentage to total operating costs (%)	Year-on-year change (%)
Depreciation and amortization	370,451	70.09	394,371	68.47	-6.07
Costs on toll collection operation	132,343	25.04	125,451	21.78	5.49
Costs on roads and bridges maintenance	15,604	2.95	47,069	8.17	-66.85
System maintenance	10,116	1.92	9,099	1.58	11.18
Total	528,514	100	575,990	100	-8.24

During the reporting period, the cost structure of the Group's toll road operations basically remained stable, of which costs on roads and bridges maintenance decreased significantly year-on-year as a provision of RMB30,000,000 was made for the costs on road surface overhaul on Guangjing Xicheng last year. Excluding this factor, costs on roads and bridges maintenance decreased by approximately 8.58% year-on-year.

A year-on-year increase in costs of system maintenance was mainly attributable to the costs on the upgrade and reconstruction for non-stop toll collection systems on the lanes of expressways.

5.2 Geographical analysis of principal business

Unit: RMB'000

District	Income from principal business	Year-on-year change in income from principal operations (%)
Toll roads in Jiangsu Province	1,994,194	-2.04

5.3 Reasons for material changes in principal business operations and their composition compared to the previous year

☐ Applicable ☑ Not applicable

5.4 Reasons for material changes in profitability (gross profit margin) of principal business operations compared to the previous year

☐ Applicable ☑ Not applicable

5.5 Analysis of reasons for material changes in the composition of profits compared to the previous year

☐ Applicable ☑ Not applicable

5.6 Application of the use of proceeds

☐ Applicable ☑ Not applicable

5.7 Modification plan for the business development plan of the Board for the second half of the year

☐ Applicable ☑ Not applicable

5.8 Warning and explanation on the forecast that the accrued net profit from the beginning of the year to the next reporting period may be recorded as losses or that a significant change may occur thereon as compared to the corresponding period of the previous year

☐ Applicable ☑ Not applicable

5.9 The Board's explanation on the "disclaimer of opinion" in the Auditors' Report for the reporting period

☐ Applicable ☑ Not applicable

5.10 The Board's explanation on the changes on, and the handling of, the matters related to the "disclaimer of opinion" in the Auditors' Report for the previous year

☐ Applicable ☑ Not applicable

§6. SIGNIFICANT MATTERS

6.1 Acquisition, disposal and restructuring of assets

☐ Applicable ☑ Not applicable

6.2 Guarantee

☐ Applicable ☑ Not applicable

6.3 Non-operating connected debts and liabilities

☑ Applicable ☐ Not applicable

Unit: RMB'000

Connected Parties	Provide funding to connected parties		Connected parties provide funding to the Company	
	Amount	Balance	Amount	Balance
Jiangsu Guangjing Xicheng Expressway Co., Ltd.	0	0	500,000	500,000
Jiangsu Ninghu Properties Company Limited	0	0	0	190,000
Far East Shipping	0	0	170,000	270,000
Total	0	0	670,000	960,000

6.4 Material litigation or arbitration

☐ Applicable ☑ Not applicable

6.5 Analysis of impact of significant matters and their solutions

☐ Applicable ☑ Not applicable

6.6 Other matters

1. Purchase, Sale and Redemption of Shares of the Company

For the six months ended 30 June 2009, there was no purchase, sale or redemption of any of the Company's listed shares by the Company or any of its subsidiaries.

2. Pre-emption Rights

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

3. Public Float

As at 30 June 2009 and 21 August 2009 (the latest practicable date of this disclosure statement), the Company complied with the 25% public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules").

4. Model Code for Securities Transactions by Directors

Having made specific enquiries of all the Directors of the Company, the Directors of the Company have fully complied with the provisions on securities transactions under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Hong Kong Listing Rules (the "Model Code") during the reporting period. The Company has also formulated the "Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees" to ensure the relevant personnel's compliance with the code in carrying out securities transactions.

5. Code on Corporate Governance Practices

During the reporting period, daily governance of the Company was reviewed in accordance with the relevant provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Hong Kong Listing Rules and considered that, from 1 January 2009 to the date of this report, the Company regulated its operation and carried out strict governance in accordance with the relevant code provisions. The Company strived to achieve the various recommended best practices. No acts of violation of or deviation from the code provisions were found.

6. Independent Non-executive Directors

In view of the election of new session of the Board, all directors of the fifth session of the Board of the Company had resigned from their respective offices as directors on the date of the 2008 Annual General Meeting (that was on 17 June 2009). From 17 June 2009 to the end of the current reporting period, there were only two independent non-executive directors in the six session of the Board of the Company, which did not meet the minimum requirement under the Shanghai Listing Rules and rule 3.10(1) of the Hong Kong Listing Rules. The second board meeting of the sixth session of the Board has proposed resolutions to appoint Ms. Chang Yung Tsung, Alice and Mr. Fang Hung, Kenneth as independent non-executive directors. The proposed resolutions will be deliberated at 2009 Second Extraordinary General Meeting to be held on 12 October 2009.

§7 FINANCIAL STATEMENTS PREPARED UNDER PRC ACCOUNTING STANDARDS

7.1 Auditors' opinion

Financial statements ☑ unaudited ☐ audited

7.2 Financial statements

1. Balance sheet

As at 30 June 2009

	Consolidated		The Company	
	At the end of the reporting period *RMB* *(Unaudited)*	**At the beginning of the year** *RMB* *(Audited)*	**At the end of the reporting period** *RMB* *(Unaudited)*	**At the beginning of the year** *RMB* *(Audited)*
Current assets:				
Bank balances and cash	546,247,348	460,593,264	277,128,861	224,385,656
Held-for-trading investments	47,952,273	39,967,473	—	—
Accounts receivable	40,526,994	33,589,820	32,107,885	27,840,743
Prepayments	12,226,075	6,859,797	9,885,142	6,586,584
Dividend receivable	42,116,727	3,000,000	42,116,727	—
Other receivables	13,069,821	14,580,051	11,846,841	12,190,678
Inventories	78,451,868	116,902,195	11,203,099	9,563,065
Total current assets	780,591,106	675,492,600	384,288,555	280,566,726
Non-current assets				
Long-term equity investments	1,992,468,503	1,884,431,542	4,111,942,616	4,007,014,082
Fixed assets	1,408,893,915	1,477,285,956	1,212,018,033	1,263,049,544
Construction-in-progress	36,945,602	42,913,323	8,795,902	14,763,624
Intangible assets	20,351,219,878	20,689,606,885	18,506,276,143	18,814,213,556
Long-term deferred assets	299,439	361,814	—	—
Deferred tax assets	5,336,470	5,336,470	5,129,735	5,129,735
Total non-current assets	23,795,163,807	24,099,935,990	23,844,162,429	24,104,170,541
Total assets	24,575,754,913	24,775,428,590	24,228,450,984	24,384,737,267

	Consolidated		The Company	
	At the end of the reporting period *RMB* *(Unaudited)*	**At the beginning of the year** *RMB* *(Audited)*	**At the end of the reporting period** *RMB* *(Unaudited)*	**At the beginning of the year** *RMB* *(Audited)*
Liabilities and shareholders' equity				
Current liabilities:				
Short-term borrowings	2,360,000,000	2,650,000,000	3,050,000,000	3,290,000,000
Accounts payable	173,485,235	154,802,268	111,680,011	132,877,204
Advances from customers	38,205,732	160,077,170	1,566,193	3,053,541
Salary payable	15,541,008	25,644,295	13,258,942	19,618,645
Taxes payable	104,393,052	169,624,177	63,538,340	130,175,672
Interests payable	37,626,796	86,668,366	38,357,907	86,997,366
Dividend payable	711,622,032	32,735,315	692,927,140	32,735,315
Other payables	62,687,777	173,488,502	49,219,863	154,819,928
Non-current liabilities due within 1 year	201,692,679	201,693,348	201,692,679	201,693,348
Total current liabilities	3,705,254,311	3,654,733,441	4,222,241,075	4,051,971,019
Non-current liabilities:				
Long-term borrowings	3,621,314,553	3,622,173,603	3,621,314,553	3,622,173,603
Bonds payable	1,091,668,500	1,089,811,250	1,091,668,500	1,089,811,250
Deferred income tax liabilities	1,860,609	974,409	—	—
Total non-current liabilities	4,714,843,662	4,712,959,262	4,712,983,053	4,711,984,853
Total liabilities	8,420,097,973	8,367,692,703	8,935,224,128	8,763,955,872
Shareholders' equity:				
Share capital	5,037,747,500	5,037,747,500	5,037,747,500	5,037,747,500
Capital reserves	7,691,221,440	7,555,403,465	7,691,221,440	7,555,403,465
Surplus reserves	1,524,823,121	1,524,823,121	1,331,349,724	1,331,349,724
Retained profits	1,455,852,368	1,850,947,206	1,232,908,192	1,696,280,706
Equity attributable to owners of the Company	15,709,644,429	15,968,921,292	15,293,226,856	15,620,781,395
Minority interests	446,012,511	438,814,595	—	—
Total shareholders' equity	16,155,656,940	16,407,735,887	15,293,226,856	15,620,781,395
Total liabilities and shareholders' equity	24,575,754,913	24,775,428,590	24,228,450,984	24,384,737,267

2. Income statement

January-June 2009

	Consolidated		The Company	
Item	**The reporting period** *RMB* *(Unaudited)*	**The corresponding period of the previous year** *RMB* *(Audited)*	**The reporting period** *RMB* *(Unaudited)*	**The corresponding period of the previous year** *RMB* *(Audited)*
Operating revenue	2,679,272,000	2,615,942,012	2,220,771,756	2,281,616,907
Less: Costs of sales	1,143,837,045	1,129,100,061	943,094,159	1,012,618,321
Sales taxes and surcharges	71,080,736	72,960,289	61,615,120	62,306,430
Sales expenses	594,728	825,848	—	—
General and administrative expenses	70,955,098	70,857,135	60,523,982	63,670,551
Finance expenses	195,122,137	267,349,825	212,259,803	280,157,636
Impairment loss on assets	—	—		
Add: Gain from fair value changes (less: loss)	3,544,800	1,158,590	—	—
Investment income	91,013,802	74,339,954	193,843,093	168,764,254
Including: Investment income from associates and jointly controlled entities	91,013,802	72,592,672	87,905,375	67,566,841
Operating profit	1,292,240,858	1,150,347,398	1,137,121,785	1,031,628,223
Add: Non-operating income	8,006,135	7,146,285	7,755,435	7,133,485
Less: Non-operating expenses	7,794,638	13,197,932	6,231,780	10,485,094
Including: Loss from disposal of non-current assets	1,964,237	76,154	1,962,813	46,530
Profit before tax	1,292,452,355	1,144,295,751	1,138,645,440	1,028,276,614
Less: Income tax expense	301,462,561	278,129,399	241,826,129	224,189,595
Net profit	990,989,794	866,166,352	896,819,311	804,087,019
Net profit attributable to owners of the Company	965,096,987	842,289,109		
Net profit attributable to minority shareholders	25,892,807	23,877,243		
Earnings per share:				
Basic earnings per share	0.19	0.17		

3. Cash Flow Statement

January-June 2009

Item	Consolidated		The Company	
	The reporting period *RMB* *(Unaudited)*	The corresponding period of the previous year *RMB* *(Audited)*	The reporting period *RMB* *(Unaudited)*	The corresponding period of the previous year *RMB* *(Audited)*
1. Cash flows from operating activities:				
Cash received from sale of goods and rendering of services	2,628,923,130	2,721,569,546	2,293,246,126	2,365,651,947
Cash received relating to other operating activities	11,845,635	11,089,033	8,824,873	9,099,998
Sub-total of cash inflows from operating activities	2,640,768,765	2,732,658,579	2,302,070,999	2,374,751,945
Cash paid for goods and services	638,156,942	772,870,016	576,986,076	686,654,717
Cash paid to and on behalf of employees	148,923,487	117,279,085	123,261,201	97,033,202
Taxes paid	449,882,370	581,640,221	382,184,775	497,570,497
Cash paid relating to other operating activities	17,688,338	2,426,251	13,544,758	36,991,104
Sub-total of cash outflows from operating activities	1,254,651,137	1,474,215,573	1,095,976,810	1,318,249,520
Net cash flows from operating activities	1,386,117,628	1,258,443,006	1,206,094,189	1,056,502,425
2. Cash flows from investing activities				
Cash received from investment	—	1,282,227	—	—
Cash received from investment income	79,678,089	88,679,301	182,615,807	172,737,051
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	206,863	147,749	204,962	147,749
Net cash received from disposal of a subsidiary and other operating units	—	(29,786,686)	—	—
Sub-total of cash inflows from investing activities	79,884,952	60,322,591	182,820,769	172,884,800
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	140,542,927	685,081,663	135,639,786	649,863,399

Item	Consolidated		The Company	
	The reporting period RMB *(Unaudited)*	The corresponding period of the previous year RMB *(Audited)*	The reporting period RMB *(Unaudited)*	The corresponding period of the previous year RMB *(Audited)*
Cash paid for purchase of investments	4,440,000	2,143,595	—	400,000
Other cash payment in relation to investing activities	144,982,927	687,225,258	135,639,786	650,263,399
Sub-total of cash outflows from investing activities	(65,097,975)	(626,902,667)	47,180,983	(477,378,599)
3. Cash flows from financing activities:				
Cash received from borrowings	3,060,000,000	5,369,660,000	3,560,000,000	5,569,660,000
Sub-total of cash inflows from financing activities	3,060,000,000	5,369,660,000	3,560,000,000	5,569,660,000
Repayment of borrowings	3,350,847,095	5,003,930,000	3,800,847,095	4,983,930,000
Cash paid for distribution of dividends, profits and interests	944,518,474	1,437,222,857	959,684,872	1,432,536,358
Including: Dividends and profit paid by a subsidiary to its minority shareholders	—	1,550,892	—	—
Sub-total of cash outflows from financing activities	4,295,635,569	6,441,152,857	4,760,531,967	6,416,466,358
Net cash flows from financing activities	(1,235,365,569)	(1,071,492,857)	(1,200,531,967)	(846,806,358)
4. Effects of foreign exchange rate changes on cash and cash equivalents	—	—	—	—
5. Net increase(decrease) in cash and cash equivalents	85,654,084	(439,952,518)	52,743,205	(267,682,532)
Add: Cash and cash equivalents at the beginning of the period	460,593,264	1,128,947,375	224,385,656	669,887,657
6. Cash and cash equivalents at the end of the period	546,247,348	688,994,857	277,128,861	402,205,125

4. Consolidated Statement on Changes in Equity

As at 30 June 2009

	Capital *RMB*	Capital reserves *RMB*	Surplus reserves *RMB*	Retained profits *RMB*	Equity attributable to equity holders of the Company *RMB*	Minority interests *RMB*	Total shareholders' equity *RMB*
A. Balance as at 1 January 2009	5,037,747,500	7,555,403,465	1,524,823,121	1,850,947,206	15,968,921,292	438,814,595	16,407,735,887
B. Balance upon increase/ decrease for the reporting period							
(1) Net profit	—	—	—	965,096,987	965,096,987	25,892,807	990,989,794
(2) Directly booked as shareholders' equity							
Share of an associate's reserve arising from the fair value change of the associate's available-for-sale financial assets		135,817,975			135,817,975		135,817,975
Sub-total of (1) and (2)	—	135,817,975	—	965,096,987	1,100,914,962	25,892,807	1,126,807,769
(3) Distribution of profit							
1. Allocation to surplus reserve		—	—		—	—	—
2. Dividend recognised as distribution		—	—	(1,360,191,825)	(1,360,191,825)	(18,694,891)	(1,378,886,716)
3. Balance as at 30 June 2009	5,037,747,500	7,691,221,440	1,524,823,121	1,455,852,368	15,709,644,429	446,012,511	16,155,656,940
A. Balance as at 1 January 2008	5,037,747,500	7,488,686,684	1,350,007,603	1,831,943,451	15,708,385,238	429,334,295	16,137,719,533
B. Balance upon increase/ decrease for the reporting period							
(1) Net profit	—	—	—	842,289,109	842,289,109	23,877,243	866,166,352
(2) Distribution of profit	—	—	—	—	—	—	—
1. Allocation to surplus reserve		—	—			—	—
2. Dividend recognised as distribution		—	—	(1,360,191,825)	(1,360,191,825)	(15,550,892)	(1,375,742,717)
3. Reserves released on disposal of a subsidiary	—	—	(2,523,798)	2,523,798	—	—	—
(3) Balance as at 30 June 2008	5,037,747,500	7,488,686,684	1,347,483,805	1,316,564,533	15,190,482,522	437,660,646	15,628,143,168

5. Consolidated Statement on Changes in Equity of the Company

As at 30 June 2009

	Capital *RMB*	Capital reserves *RMB*	Surplus reserves *RMB*	Retained profits *RMB*	Total shareholders' equity *RMB*
A. Balance as at 1 January 2009	5,037,747,500	7,555,403,465	1,331,349,724	1,696,280,706	15,620,781,395
B. Balance upon increase/decrease for the reporting period					
(1) Net profit	–	–		896,819,311	896,819,311
(2) Directly booked as shareholders' equity					
Effects of changes in other shareholders' equity of investees under equity method		135,817,975			135,817,975
	–	135,817,975	–	896,819,311	1,032,637,286
Sub-total of (1) and (2)					
(3) Distribution of profit	–	–		–	
1. Allocation to surplus reserve		–	–	(1,360,191,825)	(1,360,191,825)
2. Dividend recognised as distribution	–	–	–	–	–
3. Balance as at 30 June 2009	5,037,747,500	7,691,221,440	1,331,349,724	1,232,908,192	15,293,226,856
A. Balance as at 1 January 2008	5,037,747,500	7,488,686,684	1,180,930,400	1,702,698,620	15,410,063,204
B. Balance upon increase/decrease for the reporting period					
(1) Net profit	–	–	–	804,087,019	804,087,109
(2) Distribution of profit	–	–	–	–	–
1. Allocation to surplus reserve	–	–	–		
2. Dividend recognised as distribution	–	–	–	(1,360,191,825)	(1,360,191,825)
(3) Balance as at 30 June 2008	5,037,747,500	7,488,686,684	1,180,930,400	1,146,593,814	14,853,958,398

7.3 There is no change in the accounting policy, accounting estimates and auditing method of the Company in the reporting period.

7.4 There is no correction to accounting error for the Company in the reporting period.

7.5 There is no change in the scope of consolidation for the financial statements of the Company in the reporting period.

By Order of the Board
Shen Chang Quan
Chairman

Nanjing, the PRC, 21 August 2009

As at the date of this announcement, Directors of the Company are: Shen Chang Quan, Sun Hong Ning, Chen Xiang Hui, Zhang Yang, Qian Yong Xiang, Du Wen Yi, Cui Xiao Long, Fan Cong Lai and Chen Dong Hua*.*

* *Independent Non-executive Directors*