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 as a joint-stock limited company)
(Stock Code: 00177)

SUMMARY OF 2012 INTERIM REPORT

> Information set out in paragraphs 5, 6.7 and 7 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 listing rules of the Shanghai Stock Exchange and rule 13.09 (2) of the Hong Kong Listing Rules.

1 IMPORTANT NOTICE

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 jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the content of this report.

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

1.2 Ms. Zhang Yang and Ms. Cheng Chang Yung Tsung, Alice, non-executive directors, did not attend the Board meeting due to other business engagement, and have appointed Mr. Qian Yong Xiang and Mr. Fang Hung, Kenneth, to vote on their behalf respectively.

1.3 The audit committee of the Company has reviewed and confirmed the full text and summary of the interim report for the six months ended 30 June 2012. The relevant financial information is prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC Accounting Standards") and is unaudited.

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. Yang Gen Lin, Chairman of the Company, Mr. Qian Yong Xiang, Director and General Manager of the Company, and Ms. Yu Lan Ying, Deputy Financial Controller of the Company, warrant the truthfulness and completeness of the financial statements in this interim report in all material respects.

2 BASIC INFORMATION OF THE COMPANY

2.1 Company profile

Abbreviation of Stock Name	寧滬高速 (A Shares)	Jiangsu Expressway (H Shares)	JEXWW (ADR)
Stock Code	600377	00177	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
Correspondence Address	6 Xianlin Avenue, Nanjing, Jiangsu, the PRC	
Telephone Number	8625-84469332	8625-84362700-301836, 301835
Fax Number	8625-84466643	
E-mail Address	nhgs@jsexpressway.com	

2.2 Major financial data and indicators prepared in accordance with the PRC Accounting Standards

2.2.1 Major accounting data and financial indicators

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	**26,705,914**	25,375,439	5.24
Owners' equity attributable to equity holders of the Company	**17,616,592**	18,144,690	-2.91
Net assets per share attributable to equity holders of the Company *(RMB)*	**3.50**	3.60	-2.91

	The reporting period (January-June 2012)	The corresponding period of the previous year (January-June 2011)	Increase/(decrease) of the reporting period as compared to the corresponding period of the previous year *(%)*
Operating Profit	**1,699,602**	1,751,675	-2.97
Gross Profit	**1,695,344**	1,745,318	-2.86
Net profit attributable to equity holders of the Company	**1,260,780**	1,299,491	-2.98
Net profit attributable to equity holders of the Company after non-recurring profit/loss	**1,264,834**	1,302,657	-2.90
Basic earnings per share *(RMB)*	**0.25**	0.26	-2.98
Basic earnings per share after non-recurring profit/loss *(RMB)*	**0.25**	0.26	-2.90
Diluted earnings per share *(RMB)*	**N/A**	N/A	N/A
Weighted average return on net assets *(%)*	**6.71**	7.26	Decreased by 0.55 percentage point
Net cash flow from operating activities	**1,464,166**	1,977,858	-25.97
Net cash flow per share from operating activities *(RMB)*	**0.29**	0.39	-25.97

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

☑ Applicable ☐ Not applicable

Unit: RMB'000

Item	**January-June 2012**
Gain (loss) from disposal of non-current assets	-430
Gain from change in fair value	-1,090
Except for the above items, other non-operating income and expenses, net	-3,828
Effects of income tax	1,064
Effects of minority shareholders' profit (loss)	230
Total	-4,054

3 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

3.1 Changes in share capital

☐ Applicable ☑ Not applicable

3.2 Number of shareholders and their shareholdings

Unit: Share

Total number of shareholders at the end of the reporting period	44,537

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. (江蘇交通控股有限公司)		2,742,578,825	54.44	0	0	State-owned legal person
China Merchants Huajian Highway Investment Co., Ltd. (招商局華建公路投資有限公司)		589,059,077	11.69	0	0	State-owned legal person
Mondrian Investment Partners Limited	11,974,000	97,794,000	1.94	0	Unknown	Foreign legal person
Blackrock, Inc.	1,587,147	76,265,425	1.51	0	Unknown	Foreign legal person

Columbia Wanger Asset Management, L.P.	63,878,000	63,878,000	1.27	0	Unknown	Foreign legal person
JPMorgan Chase & Co.	518,000	61,314,751	1.22	0	Unknown	Foreign legal person
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-owned Funds (中國平安財產保險股份有限公司 — 自有資金)		49,640,398	0.99	0	Unknown	Others
China Pacific Life Insurance Co., Ltd — Tradition — Ordinary Insurance Product (中國太平洋人壽保險股份有限公司—傳統—普通保險產品)		25,822,458	0.51	0	Unknown	Others
Guotai Junan Securities Co., Ltd (國泰君安證券股份有限公司)		18,198,391	0.36	0	Unknown	Others
Ping An Life Insurance Company of China, Ltd. — Tradition —Ordinary Insurance Product (中國平安人壽保險股份有限公司—傳統—普通保險產品)		17,793,761	0.35	0	Unknown	Others

Shareholdings of the top ten A shareholders not subject to selling restrictions

Name of shareholder	Number of shares held not subject to selling restrictions	Type of shares
Jiangsu Communications Holdings Company Ltd. (江蘇交通控股有限公司)	2,742,578,825	RMB-denominated ordinary shares
China Merchants Huajian Highway Investment Co., Ltd. (招商局華建公路投資有限公司)	589,059,077	RMB-denominated ordinary shares
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-owned Funds (中國平安財產保險股份有限公司—自有資金)	49,640,398	RMB-denominated ordinary shares
China Pacific Life Insurance Co., Ltd —Tradition — Ordinary Insurance Product (中國太平洋人壽保險股份有限公司—傳統—普通保險產品)	25,822,458	RMB-denominated ordinary shares
Guotai Junan Securities Co., Ltd (國泰君安證券股份有限公司)	18,198,391	RMB-denominated ordinary shares
Ping An Life Insurance Company of China, Ltd. — Tradition —Ordinary Insurance Product (中國平安人壽保險股份有限公司—傳統—普通保險產品)	17,793,761	RMB-denominated ordinary shares
Morgan Stanley Investment Management Company Limited — Morgan Stanley China A Shares Fund (摩根士丹利投資管理公司—摩根士丹利中國A股基金)	9,756,859	RMB-denominated ordinary shares
Kunshan Municipal Land Development Centre (昆山市土地開發中心)	7,500,000	RMB-denominated ordinary shares
Bill & Melinda Gates Foundation Trust	7,328,527	RMB-denominated ordinary shares
Yulong Investment Fund (裕隆證券投資基金)	6,900,000	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 REPORT OF THE DIRECTORS

5.1 Status of principal operations by operations and products

i. Toll road and bridge operations

In the first half of 2012, China's macro economy underwent a continued slowdown in growth rate, which continued to decline for 6 consecutive quarters since last year. The nationwide GDP grew at a rate of 7.8% in the first half of the year, down 1.8 percentage points as compared with the corresponding period of the previous year. The growth rate of Jiangsu's GDP was 9.9%, also down 1.5 percentage points year-on-year. The continuous slowdown in the growth rate of the real economy has generated a direct impact on the demand for cargo transportation on highways. During the reporting period, the truck traffic volume on the Group's roads and bridges saw a notable slowdown in growth rate or even a drop. Although the average daily full-trip traffic volume of roads still maintained a steady growth, such an increment was mainly attributable to the increase of passenger vehicles, especially small ones, which led to changes of vehicle mix. As such, the revenue per vehicle for each road declined to various degrees, and the increase rate of revenue was generally lower than that of the traffic volume.

On the other hand, the clean-up and rectification measures on toll roads implemented by the local government also brought adverse impact on the toll revenue. In September 2011, the government of the Jiangsu Province revised the toll standards downwards for several expressways and three toll stations adjacent to Shanghai, including the G312 Gunan Toll Station of the Company. On 6 January 2012, the government of the Jiangsu Province adjusted downwards the minimum toll standards for passenger vehicles using the inter-network toll highways across the province. The minimum toll standard for passenger cars with less than seven seats was adjusted from RMB15 to RMB5, while the minimum toll standards for other vehicle types were adjusted accordingly. The Group's expressways were all subject to this toll adjustment. The aforesaid two rounds of toll policy adjustments had mild negative impact on our toll revenue.

As a result of the above factors, in the first half of 2012, the Group realized a toll revenue of approximately RMB2,558,941,000, up by approximately 0.47% from the corresponding period of 2011. Toll revenue accounted for approximately 68.62% of the Group's total operating income, down by approximately 1.31 percentage points year-on-year.

Operation performances of roads and bridge in the first half of 2012 are as follows:

	Average daily traffic volume *(vehicle/day)*			**Average daily toll revenue** *(RMB'000/day)*		
Road/Bridge	**Reporting period**	**Corresponding period of the previous year**	**Change** *(%)*	**Reporting period**	**Corresponding period of the previous year**	**Change** *(%)*
Shanghai-Nanjing Expressway	66,265	62,557	5.93	11,756.3	11,741.0	0.13
Shanghai-Nanjing Section of G312	19,381	19,950	-2.85	293.7	325.0	-9.62
Nanjing Section of Nanjing-Lianyungang Highway	4,336	4,955	-12.49	89.3	115.5	-22.65
Guangjing Expressway	48,354	43,603	10.90	700.6	681.4	2.82
Xicheng Expressway	50,925	46,318	9.95	1,220.1	1,208.1	0.99
Jiangyin Yangtze Bridge	57,067	51,874	10.01	2,329.2	2,241.7	3.90
Sujiahang Expressway	40,840	37,996	7.48	2,535.2	2,539.9	-0.19

In terms of the operating performance of various items listed in the table, as affected by the macroeconomic conditions, in the first half of 2012, the overall absolute truck traffic volume of Shanghai-Nanjing Expressway decreased by approximately 2.43% from the corresponding period of last year, and the percentage of truck traffic volume was approximately 26.60%, down by approximately 2.28 percentage points. Passenger vehicle traffic volume still maintained a positive performance, increased approximately 9.32% year-on-year. Given the impact from the increase in passenger vehicle traffic volume and the drop in truck traffic volume in the first half of the year, and the downward adjustment of the minimum toll standards, toll revenue turned out to be underperforming and basically remained on par with that of the corresponding period of last year. However, in the first half of the year, with the increasing use of the electronic toll collection system (the "ETC"), the ETC average daily traffic volume of the Shanghai-Nanjing Expressway reached around 10,575 vehicles, up by approximately 53.59% year-on-year, and the ETC average daily revenue amounted to approximately RMB1,628,100, up by approximately 39.33% year-on-year, and accounted for approximately 13.85% of its toll revenue.

During the reporting period, the performance of the Shanghai-Nanjing Section of G312 and the Nanjing Section of the Nanjing-Lianyungang Highway continued to decline. The Shanghai-Nanjing Section of G312 was mainly affected by the drop in truck traffic volume and the downward adjustment of toll standards at the Gunan Toll Station, while the Nanjing Section of Nanjing-Lianyungang Highway was primarily influenced by the decrease in the truck traffic volume.

In the first half of 2012, the performance of the traffic volume of the Guangjing Expressway, Xicheng Expressway, Jiangyin Yangtze Bridge and Sujiahang Expressway was satisfactory, with double-digit growth in passenger vehicle traffic volume. However, due to a slowdown in the growth rate of truck traffic volume which resulted in a slight change in vehicle mix and a decline in revenue per vehicle, the growth rate of toll revenue was obviously lower than that of the traffic volume.

ii. Ancillary services

In the first half of 2012, the Group's revenue from ancillary services amounted to approximately RMB1,152,207,000, up by approximately 8.84% over the corresponding period of the previous year. Of such revenue, sales of petroleum products amounted to approximately RMB1,059,258,000, accounted for approximately 91.93% of the total revenue from the ancillary services and represented an increase of approximately 9.59% year-on-year, primarily due to an increase in the sales volume of petroleum products and an increase in the prices of refined petroleum products. In the first half of 2012, the sales volume of the petroleum products rose approximately 3.72% year-on-year, while the average unit price of petroleum products increased approximately 5.58% year-on-year. Other operations such as food and beverage, retail sales of good and hindrance clearance services contributed approximately RMB92,949,000 in revenue, representing an increase of approximately 0.87% over the corresponding period of the previous year.

iii. Other businesses

Other businesses of the Company mainly comprise the project development and operations of two subsidiaries, Ninghu Properties and Ninghu Investment. During the reporting period, revenue from other operations amounted to approximately RMB18,208,000, down by approximately 50.1% year-on-year.

Ninghu Investment is principally engaged in the distribution of advertising media along the Shanghai-Nanjing Expressway and in other industrial investments. Since 2011, a major campaign staged by the government of the Jiangsu Province for cleaning up and rectifying advertising facilities along the expressways has caused a substantial impact on the development of the Company's advertising business. The advertising business managed to obtain approximately RMB17,256,000 in revenue in the first half of 2012, down approximately 16.42% year-on-year, which led to a year-on-year decrease of approximately RMB7,027,000 in net profit for the reporting period.

Ninghu Properties is principally engaged in property development and operations. During the reporting period, the real estate business was still under the influence of the State's control policy, only the remaining housing units of Land Lot C4 completed a small amount of pre-sales. The revenue from the project pre-sale in the first half of the year was approximately RMB7,866,000, with property development investment amounted to approximately RMB82,198,000. As the pre-sale projects have not been delivered and payments have not been settled, no profit contribution has yet been recognized. During the reporting period, Ninghu Properties moderately slowed down its project promotion based on the market conditions and thus saw a year-on-year decline in the selling and administrative expenses, which caused a year-on-year decrease of RMB1,027,000 in losses as a result.

iv. Operations and results of subsidiaries

During the reporting period, Guangjing Xicheng, a subsidiary, realized an operating income of approximately RMB363,333,000, representing an increase of approximately 2.56% over the corresponding period of 2011. The amount of the operating costs incurred aggregated at approximately RMB115,935,000, representing an increase of approximately 9.36% over the corresponding period of 2011. Increased operating costs resulted in a year-on-year decline in the net profit of approximately 2.06% at Guangjing Xicheng during the reporting period.

For the operating performances and changes in results of Ninghu Investment and Ninghu Properties, please refer to the analysis in "Other businesses" in this report.

5.2 Analysis of operating results and financial conditions

1. Analysis of operating results

In the first half year of 2012, the Group realized the total operating revenues of approximately RMB3,729,356,000, up approximately 2.40% over the corresponding period of 2011, of which toll revenue amounted to approximately RMB2,558,941,000, representing an increase of approximately 0.47% as compared to the corresponding period of 2011. Revenue from ancillary services amounted to approximately RMB1,152,207,000, up approximately 8.84% over the corresponding period of 2011. Revenue from other operations was approximately RMB18,208,000, down approximately 50.10% from the corresponding period of 2011. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB1,699,602,000 during the reporting period, down approximately 2.97% from the corresponding period of 2011. Net profit attributable to equity holders of the Company was approximately RMB1,260,780,000 and earnings per share was approximately RMB0.25, down approximately 2.98% from the corresponding period of 2011.

The operating performances of various businesses were as follows:

Unit: RMB'000

Item	Operating revenue		Operating costs		Gross profit margin *(%)*	
	The reporting period *(RMB'000)*	Year-on-year change *(%)*	The reporting period *(RMB'000)*	Year-on-year change *(%)*	The reporting period	Year-on-year change
Toll road	2,558,941	0.47	687,516	7.27	73.13	Decreased by 1.70 percentage points
Shanghai-Nanjing Expressway	2,139,654	0.68	464,799	11.06	78.28	Decreased by 2.03 percentage points
Shanghai-Nanjing Section of G312	53,459	-9.12	112,790	-6.32	-110.99	Decreased by 6.33 percentage points
Nanjing Section of Nanjing - Lianyungang Highway	16,256	-22.22	7,913	-16.16	51.32	Decreased by 3.52 percentage points
Guangjing Xicheng Expressways	349,572	2.21	102,014	10.18	70.82	Decreased by 2.11 percentage points
Ancillary services	1,152,207	8.84	1,115,759	8.96	3.16	Decreased by 0.12 percentage point
Others	18,208	-50.10	5,548	-65.47	69.53	Increased by 13.57 percentage points
Total	3,729,356	2.40	1,808,823	7.60	51.50	Decreased by 2.34 percentage points

(1) Operating costs of the toll road operations

During the reporting period, aggregated operating costs amounted to approximately RMB1,808,823,000, representing an increase of approximately 7.60% year-on-year, of which operating costs of toll road operations amounted to approximately RMB687,516,000, representing an increase of approximately 7.27% year-on-year. Gross profit margin decreased by approximately 1.70 percentage points. In the cost structure, depreciation and amortization costs basically grew in line with the increase in traffic volumes, while road and bridge maintenance costs as well as system maintenance costs were down approximately 6.04% and 42.69% year-on-year respectively during the reporting period, as the Company recorded relatively higher road and bridge maintenance costs and system maintenance costs in its preparation for the nationwide inspection on road and bridge maintenance last year. Meanwhile, the increase in labor costs, the increase in online service charges as a result of the increase in the expressway ETC income and the relevant ETC marketing expenses incurred in the first half of the year led to a year-on-year increase of RMB29,370,000 or approximately 18.48% in toll collection operating costs. The cost structure and its changes were as follows:

Operating cost items of toll road operation	**The reporting period** *(RMB'000)*	**Percentage** *(%)*	**The corresponding period of the previous year** *(RMB'000)*	**Percentage** *(%)*	**Year-on-year change** *(%)*
Depreciation and amortization	457,044	66.48	431,340	67.30	5.96
Costs on toll collection operation	188,344	27.39	158,974	24.80	18.48
Costs on roads and bridges maintenance	33,609	4.89	35,770	5.58	-6.04
System maintenance	8,519	1.24	14,866	2.32	-42.69
Total	687,516	100	640,950	100	7.27

(2) Administrative expenses and finance costs

During the reporting period, aggregated administrative expenses of the Group amounted to approximately RMB76,404,000, up approximately 4.22% year-on-year.

As at 30 June 2012, total interest-bearing liabilities of the Group amounted to approximately RMB6,485,337,000, representing an increase of RMB953,798,000 as compared to the beginning of 2012 and an increase of RMB352,626,000 as compared to the corresponding period in 2011. Due to an increase in the total interest-bearing liabilities and a year-on-year rise in average bank loan rate in the reporting period, the aggregated finance cost of the Group amounted to RMB152,218,000, representing an increase of approximately 6.31% year-on-year.

(3) Investment income

The Company's investment income was primarily generated from investment incomes contributed by associates accounted for using the equity method, dividends distributed by investee companies accounted for using the cost method and gains from other short-term wealth management instruments and structured deposits of the Company. During the reporting period, the Group reaped investment income amounted to approximately RMB103,174,000, up approximately 1.03% year-on-year. In particular, various associates which were accounted for using the equity method, primarily comprising Sujiahang Co., Kuailu Co. and Yangtze Bridge Co., contributed approximately RMB89,276,000 in investment income, representing approximately 6.93% of the Group's net profit and a decrease of approximately 10.84% year-on-year. During the reporting period, Sujiahang Co.'s net profit dropped 25.16% as a combined result of slower growth in toll revenue due to lower trucks percentage as affected by the current economic conditions, and the increase in the operating costs and finance costs. With the commencement of operation of high-speed railways and accordingly the continuous optimization of railway operation network, high-speed railways have gradually come to complement inter-city railways. Meanwhile, with the upgrade of consumption, taking high-speed railways has gradually been accepted by consumers, and there has appeared an increasing traffic diversion from passenger traffic on highways. All these factors caused a drop in the operating revenue and then losses of Kuailu Co., as well as a substantial decrease in its net profit year-on-year during the reporting period.

(4) Taxes

The Group's income tax was payable at a statutory rate of 25% while the business tax for toll revenues from expressways was payable at a rate of 3%. From January to June 2012, the aggregated income tax expense of the Group amounted to approximately RMB407,928,000, representing a decrease of approximately 2.48% as compared to the corresponding period in 2011.

(5) Operating profit and net profit

During the reporting period, although the Group continued to achieve a 2.40% increase in the operating income, operating costs increased by approximately 7.60% year-on-year. Consolidated gross profit margin fell by approximately 2.34 percentage points from the corresponding period of 2011, while finance costs rose by approximately 6.31% year-on-year, and investment income increased slightly by approximately 1.03% year-on-year. The Group recorded an operating profit of approximately RMB1,699,602,000, down approximately 2.97% from the corresponding period of the previous year. As such, the Group realized a net profit of approximately RMB1,287,416,000, a year-on-year decrease of approximately 2.99%. In particular, net profit attributable to shareholders of the Company amounted to approximately RMB1,260,780,000, a year-on-year decrease of approximately 2.98%.

(6) Fulfillment of profit forecast

	Forecast for 2012 *(RMB100 million)*	Actual amount for the reporting period *(RMB'000)*
Operating revenue	**77**	3,729,356
Costs and expenses	**47**	2,038,519
Total profit	**30**	1,695,344
Net profit	**23**	1,287,416
Net profit attributable to the Company	**23**	1,260,780

Explanation for the fulfillment of profit forecast	As no revenue from the real estate business was recognized in the first half of 2012, the Company's operating revenue did not reach 50% of the annual forecast. But thanks to the relatively low cost and expense expenditures in the first half of 2012, the realized net profit has exceeded half of the annual forecast, indicating a satisfactory completion progress.

2. Analysis of financial conditions

(1) The capital structure of the Group

During the reporting period, the fact that a portion of the dividends have not been paid leading to an increase in the dividends payable resulted in a higher proportion of current liabilities and interest-free liabilities of the Group as at the end of the reporting period. The increase in the short-term loans of the Group and the issuance of non-public directed debt instruments of the Company during the reporting period led to a higher proportion of liabilities at fixed interest rates. The gearing ratio of approximately 32.28% also increased by approximately 5.61 percentage points as compared to the beginning of the year.

Item	30 June 2012		31 December 2011	
	RMB'000	*%*	*RMB'000*	*%*
Current liabilities	**5,966,560**	**22.34**	4,302,651	16.96
Non-current liabilities	**2,653,770**	**9.94**	2,464,978	9.71
Liabilities at fixed interest rate	**4,050,337**	**15.17**	2,891,539	11.40
Liabilities at floating interest rates	**2,435,000**	**9.12**	2,640,000	10.40
Interest-free liabilities	**2,134,993**	**7.99**	1,236,090	4.87
Equity attributable to equity holders of the Company	**17,616,591**	**65.96**	18,144,690	71.50
Minority interests	**468,993**	**1.76**	463,120	1.83
Total assets	**26,705,914**	**100**	25,375,439	100
Gearing ratio *(%)*:	**32.28**		26.67	

Gearing ratio is calculated as: total liabilities/total assets

(2) Asset liquidity and financial resources

During the reporting period, gross cash inflow from the Group's operating activities amounted to approximately RMB3,931,382,000, and net cash inflow from operating activities amounted to approximately RMB1,464,166,000, representing a year-on-year decrease of approximately 25.97%. The decrease in net cash flow from the Group's operating activities was due to a year-on-year decrease in the pre-sales income from subsidiaries' real estate business and a rise in cash outflows from operations. The gearing ratio stood at around 32.28% which was a relative reasonable level; and the book value of bank balances and cash amounted to approximately RMB780,090,000. Moreover, as at 30 June 2012, the unutilized credit facilities from banks amounted to approximately RMB4,970 million. As such, the management believes that the Group does not have any cash liquidity problem.

(3) Capital expenditures

During January to June 2012, the Group's planned capital expenditures actually incurred amounted to approximately RMB1,557,524,000, representing an increase of approximately RMB1,389,010,000, or approximately 824.27% as compared to the corresponding period of 2011. Such a substantial increase in capital expenditures in the reporting period was mainly due to two equity investment projects, one involving Guangjing Xicheng, a subsidiary of the Company, contributing RMB1,466,200,000 for the subscription of interests in Jiangsu Yanjiang Expressway Co., Ltd. ("Yanjiang Expressway Co."), and the other involving the Company contributing RMB30,000,000 for shareholdings in Suzhou Sujiayong Expressway Co., Ltd. ("Suzhou Sujiayong Co.") to construct the Kunshan-Wujiang section project of the Changshu-Jiaxing Expressway. Detailed composition of capital expenditures is as follows:

Capital Expenditure Project	*RMB'000*
Equity investment in Yanjiang Expressway Co.	1,466,200
Equity investment in Suzhou Sujiayong Co.	30,000
Balance payment for the expansion works of the Shanghai-Nanjing Expressway	1,722
Renovation of toll stations of the Guangjing Xicheng Expressway	8,490
Other construction in progress and equipments	51,112
Total	1,557,524

(4) Financing activities and finance costs

During the reporting period, affected by the State's monetary policy, commercial loans basically did not enjoy any preferential interest rates. Although the consolidated borrowing cost of the Company remained at a relatively high level as compared to the corresponding period of last year as a result of upward adjustment to the benchmark interest rate by the Central Bank since 2011, the Company was able to effectively control its finance costs by adjusting its debt structure through active and effective financial initiatives. During the first half of 2012, the consolidated borrowing cost was approximately 5.6%, approximately 1 percentage point lower than the then prevailing bank borrowing rate and representing an increase of approximately 0.73 percentage point year-on-year.

(5) Credit policy

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determining the credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of its receivables at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the management of the Company considers that the Group's credit risk is significantly reduced.

5.3 Prospects and plans

1. Analysis of the business environment

In the first half of the year, the Chinese and regional economy continued to decline, weighing on the overall traffic volume of trucks. Although the government has introduced macro control measures to maintain the smooth functioning of the economy, it remains difficult to predict when such measures will become effective in the region and when these measures will drive the recovery in cargo demand. The current road operation performance shows a slight rebound in traffic volume of trucks in June, but it remains to be seen whether this trend will last.

On the other hand, the clean-up campaign for toll roads has entered into a substantive phase, with a series of clean-up measures issued by the five ministries and commissions as well as the government of the Jiangsu Province. Subsequent to the downward adjustment to the minimum toll standards at the beginning of the year, the government of the Jiangsu Province further issued a notice in July announcing the removal of the Nanjing toll station, Luoshe toll station (including Yanqiao toll point) and Xilin toll point along the Shanghai-Nanjing section of the G312 since 15 July 2012, which will bring to the Company a direct loss in daily average revenue amounting to approximately RMB150,000, and lead to further losses to G312. Issues such as debt reimbursement and road management and maintenance after the removal of these toll stations are still to be thrashed out by the government of the Jiangsu Province. As at 30 June 2012, the intangible assets of the operation rights of the Shanghai-Nanjing section of the G312 had a net book value of approximately RMB2,380 million. The accumulated toll income of removed toll stations during six months ended 30 June 2012 accounted for approximately 46.69% of the total toll income of G312, and the accumulated traffic volume of removed toll stations during the same period accounted for approximately 46.13% of G312.

Recently, the five ministries and commissions of the State again unveiled a policy allowing all cars to travel toll-free during main national holidays. Based on the implementation guidelines, the Company is estimated to suffer a loss of approximately 2.5%-3% in toll income on a full-year basis. Currently, the local governments have not promulgated detailed implementation rules and the toll-free policy is expected to apply as early as the National Day holiday of this year.

2. ***Work priorities for the second half of the year***

In line with the overall business situation in the second half of the year, the Group has set the following work priorities for the second half of the year to ensure the attainment of the full-year profit target, and to make planning preparations for future strategic development:

i. We will give active response to the government's clean-up measures for toll roads and make preparation for the free travel of cars in holidays. In particular, we will, after the removal of the toll stations and points along the G312, enhance communications with the competent government authorities on follow-up issues such as employee resettlement, road management and maintenance as well as debt reimbursement so as to come up with the proper solutions, minimize losses in assets and financial results and safeguard the interests of the Company and shareholders.

ii. We will further the promotion and implementation of the "Twelfth Five-year" strategic plan and break down the strategically critical performance indicators proposed under the "Twelfth Five-year Plan" to build a quantitative strategic indicator system. We will put in place a working mechanism for regular review of the strategic plan, giving full play to the role of the "Twelfth Five-year" plan in guiding the operation and management of Company and ensuring the efficient implementation of the strategic development plan. Meanwhile, we will vigorously explore the reform and innovation in the operation and management modes of our branches and subsidiaries to increase profitability and space for growth.

iii. We will advance the modernization of the operation and management of expressways and accelerate the establishment of the modernization indicators system. We will perfect the work process of maintenance and hindrance clearance based on the needs of road users to improve the timeliness of the hindrance clearance and rescue. We will tighten up on-site management to maintain good road quality and transport environment and build the expressway management and service brand with the goal of "intelligent, unimpeded and caring".

iv. We will press ahead with the information technology work of the Company, stepping up the establishment of special working divisions and implementing the informationization plan. We will give priority to sorely needed informationization projects with mature technology, such as telecommunication system rehabilitation and traffic data collection. We will formulate an overall plan to establish an information platform for comprehensive management and public service, so as to allow resources to be shared to the greatest extent possible, provide effective information for decision-making, direction, production and services and improve the operation and management as well as production and service efficiency.

v. Strengthen cost control, especially the control on budget management and special expenditure. Under the current business environment and monetary policy, we are to lower finance costs through pro-active and effective financing arrangements and debt structure adjustments. Meanwhile, we will continue to explore short-term wealth management approaches with controllable risks and considerable returns to enhance the efficiency of the Company's short-term reserve fund management.

vi. We will keep track of market dynamics, push on with the development and sales of the property projects in an orderly way and ensure the successful delivery of our first residential development so as to build the brand for the Company. We will complete the capital increase in Ninghu Properties, a subsidiary of the Company, to further improve development scales and its fundraising ability of Ninghu Properties as a platform of our property business. We will step up efforts in market research with a view to seizing proper investment opportunities. We will increase land reserve as and when appropriate to expand potential for business development.

5.4 Geographical analysis of principal operations

Unit: RMB'000

District	Income from principal operations	Year-on-year change in income from principal operations *(%)*
Jiangsu Province	3,729,356	2.40

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

5.8 Use of raised proceeds

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

5.10 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

5.11 The Board's explanation on the "qualified opinion" in the Auditors' Report for the reporting period

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

6 SIGNIFICANT MATTERS

6.1 Acquisition of assets

☑ Applicable ☐ Not applicable

Transaction counterparty or ultimate controller	Assets acquired	Date of acquisition	Price of acquisition	Contribution to the Company's net profit from the date of acquisition to the end of the reporting period	Contribution to the Company's net profit from the beginning of the year to the end of the reporting period (applicable to combination of enterprises under the same controller)	Whether it was a connected transaction (If yes, explanation should be provided for the basis of pricing)	Whether all titles of the assets concerned were completely transferred	Whether all rights and obligations concerned were completely transferred
Jiangsu Communications Holdings Company Limited	Jiangsu Yanjiang Expressway Co., Ltd.	19 June 2012	RMB 1,466,200,000	Not yet	Not yet	It was a connected transaction and the consideration of RMB1,466,200,000 was determined after arm's length negotiation between the parties with reference to the valuation of Yanjiang Expressway Co as prepared by Dongzhou Assets Valuation Co., Ltd.	Relevant titles of the assets were transferred on 29 June 2012.	Yes

6.2 Disposal of assets

☐ Applicable ☑ Not applicable

6.3 Guarantee

☐ Applicable ☑ Not applicable

6.4 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
Far East Shipping	0	0	100,000	200,000
Total	0	0	100,000	200,000

During the reporting period, the Company secured a loan of RMB100,000,000 from Far East Shipping, a related party, by way of a trust loan with a term of one year at an annual interest rate of 6.56%.

6.5 Material litigation or arbitration

☐ Applicable ☑ Not applicable

6.6 Analysis of impact of significant matters and their solutions

☐ Applicable ☑ Not applicable

6.7 Other matters

i. Purchase, sale and redemption of Shares of the Company

For the six months ended 30 June 2012, there was no purchase, sale or redemption of any of the Company's listed shares by the Company or any of its subsidiaries.

ii. Pre-emption rights

In accordance with the laws of the PRC 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.

iii. Public float

As at 30 June 2012 and 17 August 2012 (being the latest practicable date of this disclosure statement), the Company had 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 Stock Exchange") ("Hong Kong Listing Rules").

iv. Model Code for Securities Transactions by Directors

Having made specific enquiries to 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 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.

v. Corporate Governance Code

In December 2011, the Hong Kong Stock Exchange amended relevant provisions of the Corporate Governance Code. Such new provisions took effect on 1 January 2012 and 1 April 2012. As at the publishing date of this report, the Board, having reviewed the day-to-day governance practices of the Company according to the Corporate Governance Code, was of the opinion that the Company fully adopted all code provisions in the new Corporate Governance Code (save in respect of the Code requirement on Company Secretary where the Company appointed professional to act as the Company Secretary who is not a senior management but closely worked with the Secretary to the Board, who in turn, is a senior management) and strove to comply with the recommended best practices and that no deviation or breach was found.

vi. Independent Non-executive Directors

The Company has appointed a sufficient number of independent non-executive directors. Xu Chang Xin, Gao Bo, Chen Dong Hua and Zhang Er Zhen were appointed as independent non-executive directors of the seventh Session of the Board of the Company, accounting for more than one-third of the members of the Board. Four independent non-executive directors are currently serving at renowned universities in the PRC and are senior experts in the fields of currency finance, financial accounting, economic management and real estate studies and are well-versed with academic theories and management experience. Independent directors play major roles in various specialized committees of the Board. Independent non-executive directors account for a majority in the Audit Committee, Nomination Committee and Remuneration and Appraisal Committee, and an independent non-executive director holds chairmanship at each of these committees.

7 FINANCIAL STATEMENTS PREPARED UNDER PRC ACCOUNTING STANDARDS

7.1 Auditors' opinion

Financial statements

☑ unaudited ☐ audited

7.2 Financial statements

Consolidated Balance Sheet

At 30 June 2012

Unit: RMB

ITEM	*Notes*	**Closing Balance**	Opening Balance
Current Assets:			
Cash and bank balances		**780,090,412**	806,129,927
Held-for-trading financial assets		**27,689,240**	19,077,428
Notes receivable		**220,000**	0
Accounts receivable	7(a)	**76,802,976**	47,367,781
Prepayments	7(b)	**31,307,253**	11,614,720
Dividends receivable		**102,313,565**	2,494,980
Other receivables	7(c)	**52,607,035**	37,116,199
Inventories		**2,005,018,632**	1,919,255,292
Other current assets		**598,960,705**	560,390,281
Total Current Assets		**3,675,009,818**	3,403,446,608

Non-current Assets:			
Long-term equity investments		**3,678,206,276**	2,190,631,308
Investment properties		**20,141,530**	17,807,135
Fixed assets		**1,123,532,503**	1,154,827,314
Construction in progress		**50,005,165**	26,032,412
Intangible assets		**18,149,904,065**	18,573,651,716
Long-term prepaid expenses		**452,910**	652,950
Deferred tax assets		**8,662,010**	8,389,453
Total Non-current Assets		**23,030,904,459**	21,971,992,288
TOTAL ASSETS		**26,705,914,277**	25,375,438,896
Current liabilities:			
Short-term borrowings		**3,130,000,000**	2,865,000,000
Accounts payable	7(d)	**273,176,276**	307,411,924
Receipts in advance	7(e)	**362,357,509**	346,683,735
Employee benefits payable		**4,589,766**	6,523,653
Taxes payable		**112,822,131**	321,399,122
Interest payable		**105,168,722**	47,683,000
Dividends payable		**1,165,224,399**	104,896,262
Other payable	7(f)	**111,654,008**	101,492,233
Non-current liabilities due within one year		**701,567,064**	201,561,117
Total Current Liabilities		**5,966,559,875**	4,302,651,046
Non-current Liabilities:			
Long-term borrowings		**2,157,917,077**	2,464,977,879
Bonds payable		**495,853,045**	0
Total Non-current Liabilities		**2,653,770,122**	2,464,977,879
TOTAL LIABILITIES		**8,620,329,997**	6,767,628,925

SHAREHOLDERS' EQUITY:

Share capital	**5,037,747,500**	5,037,747,500
Capital reserve	**7,566,238,561**	7,541,527,674
Surplus reserve	**2,291,733,894**	2,291,733,894
Unappropriated profits	**2,720,871,607**	3,273,680,481
Total shareholders' equity attributable to equity holders of the Company	**17,616,591,562**	18,144,689,549
Minority interests	**468,992,718**	463,120,422
TOTAL SHAREHOLDERS' EQUITY	**18,085,584,280**	18,607,809,971
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**26,705,914,277**	25,375,438,896

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Balance Sheet of the Company

At 30 June 2012

Unit: RMB

ITEM	Closing Balance	Opening Balance
Current Assets:		
Cash and bank balances	**438,810,778**	452,126,965
Accounts receivables	**58,542,981**	37,927,174
Prepayments	**21,271,424**	6,069,781
Dividend receivables	**219,975,250**	2,494,980
Other receivables	**1,365,521,363**	1,259,171,286
Inventories	**20,445,498**	14,250,110
Other current assets	**501,625,000**	501,253,333
Total Current Assets	**2,626,192,294**	2,273,293,629
Non-current Assets:		
Long-term equity investments	**4,181,593,343**	4,160,072,389
Fixed assets	**941,965,691**	973,841,001
Construction in progress	**29,644,821**	19,443,164
Intangible assets	**16,473,639,094**	16,831,384,332
Deferred tax assets	**4,298,559**	4,298,559
Total non-current assets	**21,631,141,508**	21,989,039,445
TOTAL ASSETS	**24,257,333,802**	24,262,333,074

Current Liabilities:		
Short-term borrowings	**2,780,000,000**	3,455,000,000
Accounts payable	**90,744,135**	105,026,669
Receipts in advance	**11,392,017**	5,736,715
Employee benefits payable	**4,332,009**	5,496,846
Taxes payable	**74,955,804**	254,010,835
Interest payable	**104,558,266**	48,398,600
Dividends payable	**1,144,460,574**	80,871,474
Other payables	**84,491,954**	72,885,125
Non-current liabilities due within one year	**701,567,064**	201,561,117
Total Current Liabilities	**4,996,501,823**	4,228,987,381
Non-current Liabilities:		
Long-term borrowings	**1,757,917,077**	2,464,977,879
Bonds payable	**495,853,045**	0
Total Non-current Liabilities	**2,253,770,122**	2,464,977,879
TOTAL LIABILITIES	**7,250,271,945**	6,693,965,260
SHAREHOLDERS' EQUITY:		
Share capital	**5,037,747,500**	5,037,747,500
Capital reserve	**7,547,813,329**	7,523,102,442
Surplus reserve	**2,002,886,733**	2,002,886,733
Unappropriated profits	**2,418,614,295**	3,004,631,139
TOTAL SHAREHOLDERS' EQUITY	**17,007,061,857**	17,568,367,814
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,257,333,802**	24,262,333,074

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Consolidated Income Statement

For the period ended 30 June 2012

Unit: RMB

Item			Notes	**Amount for the current period**	Amount for the prior period
I. Total operating income			2	**3,729,356,412**	3,642,022,871
Including:	Operating income			**3,729,356,412**	3,642,022,871
II. Total operating costs			2	**2,131,837,831**	1,991,847,960
Including:	Operating costs			**1,808,822,929**	1,681,003,634
	Business taxes and levies			**93,318,715**	91,276,001
	Selling expenses			**1,074,099**	3,579,685
	Administrative expenses			**76,404,174**	73,309,255
	Financial expenses		3	**152,217,914**	143,179,385
	Impairment losses of assets			**0**	-500,000
Add:	Gains from changes in fair values (Losses are indicated by "-")			**-1,090,228**	-621,390
	Investment income (Loss is indicated by "-")			**103,173,907**	102,121,292
	Including:	Income from investments in associates and joint ventures		**89,276,092**	100,129,794
III. Operating profit (Loss is indicated by "-")				**1,699,602,260**	1,751,674,813
Add:	Non-operating income			**3,886,577**	6,179,749
Less:	Non-operating expenses			**8,144,466**	12,536,356
Including:	Losses from disposal of non-current assets			**483,967**	5,987,612

IV. Total profit				
(Total loss is indicated by "-")			**1,695,344,371**	1,745,318,206
Less:	Income tax expenses	4	**407,928,024**	418,286,136
V. Net profit				
(Net loss is indicated by "-")			**1,287,416,347**	1,327,032,070
Net profit attributable to owners of the Company			**1,260,780,226**	1,299,490,735
Profit or loss attributable to minority interests			**26,636,121**	27,541,335
VI. Earnings per share:				
(I)	Basic earnings per share	5	**0.2503**	0.2580
(II)	Diluted earnings per share		**N/A**	N/A
VII. Other comprehensive income			**24,710,887**	-11,135,896
VIII. Total comprehensive income			**1,312,127,234**	1,315,896,174
Total comprehensive income attributable to owners of the Company			**1,285,491,113**	1,288,354,839
Total comprehensive income attributable to minority interests			**26,636,121**	27,541,335

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Income Statement of the Company
For the period ended 30 June 2012

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
I. Operating income	**3,348,354,917**	3,252,579,662
Less: Operating costs	**1,687,388,741**	1,558,923,971
Business taxes and levies	**79,323,560**	79,299,968
Administrative expenses	**61,506,523**	60,544,602
Financial expenses	**159,891,971**	158,061,636
Impairment loss of assets	**0**	-500,000
Investment income (Loss is indicated by "-")	**216,444,947**	232,329,322
Including: Income from investments in associates and joint ventures	**89,422,078**	101,314,118
II. Operating profit (Loss is indicated by "-")	**1,576,689,069**	1,628,578,807
Add: Non-operating income	**3,883,402**	5,314,316
Less: Non-operating expenses	**6,546,521**	8,198,453
Including: Losses from disposal of non-current assets	**287,236**	3,412,329
III. Total profit (Total loss is indicated by "-")	**1,574,025,950**	1,625,694,670
Less: Income tax expenses	**346,453,694**	354,713,366
IV. Net profit (Net loss is indicated by "-")	**1,227,572,256**	1,270,981,304

V. Earnings per share:			
(I)	Basic earnings per share	**0.2437**	0.2523
(II)	Diluted earnings per share	**N/A**	N/A
VI. Other comprehensive income		**24,710,887**	-11,135,896
VII. Total comprehensive income		**1,252,283,143**	1,259,845,408

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Consolidated Cash Flow Statement

For the period ended 30 June 2012

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	**3,931,381,849**	4,117,073,209
Other cash receipts relating to operating activities	**12,099,789**	8,901,453
Sub-total of cash inflows from operating activities	**3,943,481,638**	4,125,974,662
Cash payments for goods purchased and services received	**1,529,341,812**	1,416,127,240
Cash payments to and on behalf of employees	**197,272,132**	169,154,137
Payments of various types of taxes	**728,733,965**	544,276,982
Other cash payments relating to operating activities	**23,968,053**	18,558,339
Sub-total of cash outflows from operating activities	**2,479,315,962**	2,148,116,698
Net Cash Flow from Operating Activities	**1,464,165,676**	1,977,857,964

II. Cash Flows from Investing Activities:

Cash receipts from disposals and recovery of investments	**2,517,989,518**	121,453,720
Cash receipts from investment income	**27,359,178**	71,272,503
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	**364,263**	1,067,524
Net cash receipts from disposals of subsidiaries and other business units	**0**	0
Other cash receipts relating to investing activities	**0**	0
Sub-total of cash inflows from investing activities	**2,545,712,959**	193,793,747
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**61,323,501**	34,513,682
Cash payments to acquire investments	**4,061,902,040**	275,593,603
Other cash payments relating to investing activities	**0**	0
Sub-total of cash outflows from investing activities	**4,123,225,541**	310,107,285
Net Cash Flow from Investing Activities	**-1,577,512,582**	-116,313,538

III. Cash Flows from Financing Activities:		
Cash receipts from borrowings	**1,355,000,000**	1,155,000,000
Cash receipts from issue of bonds	**498,500,000**	0
Other cash receipts relating to financing activities	**0**	0
Sub-total of cash inflows from financing activities	**1,853,500,000**	1,155,000,000
Cash repayments of borrowings	**895,783,470**	1,290,821,935
Cash payments for distribution of dividends or profits or settlement of interest expenses	**870,159,139**	1,713,005,857
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	**24,024,788**	0
Other cash payments relating to financing activities	**250,000**	0
Sub-total of cash outflows from financing activities	**1,766,192,609**	3,003,827,792
Net Cash Flow from Financing Activities	**87,307,391**	-1,848,827,792
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		
V. Net Increase in Cash and Cash Equivalents	**-26,039,515**	12,716,634
Add: Opening balance of Cash and Cash Equivalents	**806,129,927**	475,084,741
VI. Closing Balance of Cash and Cash Equivalents	**780,090,412**	487,801,375

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Cash Flow Statement of the Company
For the period ended 30 June 2012

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	**3,545,141,147**	3,459,477,284
Other cash receipts relating to operating activities	**6,004,802**	5,933,330
Sub-total of cash inflows from operating activities	**3,551,145,949**	3,465,410,614
Cash payments for goods purchased and services received	**1,397,141,134**	1,254,118,861
Cash payments to and on behalf of employees	**157,893,759**	136,879,245
Payments of various types of taxes	**618,719,081**	466,405,790
Other cash payments relating to operating activities	**20,856,241**	18,076,207
Sub-total of cash outflows from operating activities	**2,194,610,215**	1,875,480,103
Net Cash Flow from Operating Activities	**1,356,535,734**	1,589,930,511

II. Cash Flows from Investing Activities:

Cash receipts from disposals and recovery of investments	**1,808,989,518**	0
Cash receipts from investment income	**22,793,427**	199,395,484
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	**362,263**	1,017,494
Other cash receipts relating to investing activities	**0**	80,000,000
Sub-total of cash inflows from investing activities	**1,832,145,208**	280,412,978
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**45,761,030**	31,105,496
Cash payments to acquire investments	**1,830,000,000**	0
Other cash payments relating to investing activities	**90,000,000**	0
Sub-total of cash outflows from investing activities	**1,965,761,030**	31,105,496
Net Cash Flow from Investing Activities	**-133,615,822**	249,307,482

III. Cash Flows from Financing Activities:		
Cash receipts from borrowings	**605,000,000**	1,265,000,000
Cash receipts from issue of bonds	**498,500,000**	0
Sub-total of cash inflows from financing activities	**1,103,500,000**	1,265,000,000
Cash repayments of borrowings	**1,485,783,470**	1,360,821,935
Cash payments for distribution of dividends or profits or settlement of interest expenses	**853,702,629**	1,726,625,857
Other cash payments relating to financing activities	**250,000**	0
Sub-total of cash outflows from financing activities	**2,339,736,099**	3,087,447,792
Net Cash Flow from Financing Activities	**-1,236,236,099**	-1,822,447,792
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		
V. Net Increase in Cash and Cash Equivalents	**-13,316,187**	16,790,201
Add: Opening balance of Cash and Cash Equivalents	**452,126,965**	171,257,578
VI. Closing Balance of Cash and Cash Equivalents	**438,810,778**	188,047,779

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Consolidated Statement of Changes in shareholders' Equity

For the period ended 30 June 2012

Unit: RMB

	Amount for the current period									
	Attributable to owners of the Company									
ITEM	Share capital	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Others	Minority interests	Total shareholders' equity
I. Closing balance of the preceding year	5,037,747,500	7,541,527,674			2,291,733,894		3,273,680,481		463,120,422	18,607,809,971
II. Changes for the year										
(I) Net profit							1,260,780,226		26,636,121	1,287,416,347
(II) Other comprehensive income		24,710,887								24,710,887
Subtotal of (I) and (II)		24,710,887					1,260,780,226		26,636,121	1,312,127,234
(III) Owners' contributions and reduction in capital										
1. Capital contribution from owners										
2. Share-based payment recognised in owners' equity										
3. Others										
(IV) Profit distribution										
1. Transfer to surplus reserve										
2. Transfer to general reserve										
3. Distributions to owners/ shareholders							-1,813,589,100		-20,763,825	-1,834,352,925
4. Others										
(V) Transfers within owners' equity										
1. Capitalisation of capital reserve										
2. Capitalisation of surplus reserve										
3. Loss offset by surplus reserve										
4. Others										
(VI) Special reserve										
1. Transfer to special reserve in the period										
2. Amount utilised in the period										
III. Closing balance of the current year	5,037,747,500	7,566,238,561			2,291,733,894		2,720,871,607		468,992,718	18,085,584,280

ITEM	Amount for the corresponding period of last year Attributable to owners of the Company Share capital	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Others	Minority interests	Total shareholders' equity
I. Closing balance of the preceding year	5,037,747,500	7,576,722,435			2,022,082,235		2,927,171,033		460,321,225	18,024,044,428
II. Changes for the year										
(I) Net profit							1,299,490,735		27,541,335	1,327,032,070
(II) Other comprehensive income		-11,135,896								-11,135,896
Subtotal of (I) and (II)		-11,135,896					1,299,490,735		27,541,335	1,315,896,174
(III) Owners' contributions and reduction in capital										
1. Capital contribution from owners										
2. Share-based payment recognised in owners' equity										
3. Others										
(IV) Profit distribution										
1. Transfer to surplus reserve										
2. Transfer to general reserve										
3. Distributions to shareholders							-1,813,589,100		-23,120,330	-1,836,709,430
4. Others										
(V) Transfers within owners' equity										
1. Capitalisation of capital reserve										
2. Capitalisation of surplus reserve										
3. Loss offset by surplus reserve										
4. Others										
(VI) Special reserve										
1. Transfer to special reserve in the period										
2. Amount utilised in the period										
III. Closing balance of the current year	5,037,747,500	7,565,586,539			2,022,082,235		2,413,072,668		464,742,230	17,503,231,172

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Statement of Changes in Shareholders' Equity of the Company

For the period ended 30 June 2012

Unit: RMB

ITEM	Amount for the current period Share capital	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Total shareholders' equity
I. Closing balance of the preceding year	5,037,747,500	7,523,102,442			2,002,886,733		3,004,631,139	17,568,367,814
II. Changes for the year								
(I) Net profit							1,227,572,256	1,227,572,256
(II) Other comprehensive income		24,710,887						24,710,887
Subtotal of (I) and (II)		24,710,887					1,227,572,256	1,252,283,143
(III) Owners' contributions and reduction in capital								
1. Capital contribution from owners								
2. Share-based payment recognised in owners' equity								
3. Others								
(IV) Profit distribution								
1. Transfer to surplus reserve								
2. Transfer to general reserve								
3. Distributions to shareholders							-1,813,589,100	-1,813,589,100
4. Others								
(V) Transfers within owners' equity								
1. Capitalisation of capital reserve								
2. Capitalisation of surplus reserve								
3. Loss offset by surplus reserve								
4. Others								
(VI) Special reserve								
1. Transfer to special reserve in the period								
2. Amount utilised in the period								
III. Closing balance of the current year	5,037,747,500	7,547,813,329			2,002,886,733		2,418,614,295	17,007,061,857

ITEM	Share capital	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	General reserve	Retained profits	Total shareholders' equity
	Amount for the corresponding period of last year							
I. Closing balance of the preceding year	5,037,747,500	7,558,297,203			1,761,694,860		2,647,493,378	17,005,232,941
II. Changes for the year								
(I) Net profit							1,270,981,304	1,270,981,304
(II) Other comprehensive income		-11,135,896						-11,135,896
Subtotal of (I) and (II)		-11,135,896					1,270,981,304	1,259,845,408
(III) Owners' contributions and reduction in capital								
1. Capital contribution from owners								
2. Share-based payment recognised in owners' equity								
3. Others								
(IV) Profit distribution								
1. Transfer to surplus reserve								
2. Transfer to general reserve								
3. Distributions to shareholders							-1,813,589,100	-1,813,589,100
4. Others								
(V) Transfers within owners' equity								
1. Capitalisation of capital reserve								
2. Capitalisation of surplus reserve								
3. Loss offset by surplus reserve								
4. Others								
(VI) Special reserve	0							
1. Transfer to special reserve in the period								
2. Amount utilised in the period								
III. Closing balance of the current year	5,037,747,500	7,547,161,307	0	0	1,761,694,860	0	2,104,885,582	16,451,489,249

Legal Representative:	*Person in Charge of the Accounting Body:*	*Chief Accountant:*
Yang Gen Lin	**Qian Yong Xiang**	**Yu Lan Ying**

Extract of Notes to Financial Statements:

1. Basis of preparation of financial statements

The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006. In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2010). In addition, these financial statements also contain relevant disclosures as required by the Companies Ordinance of Hong Kong and the Listing Rules of the Hong Kong Stock Exchange.

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

2. Operating income and operating costs

Unit: RMB

Item	**Amount recognised in the current period** Operating income	**Amount recognised in the current period** Operating costs	Amount recognised in the prior period Operating income	Amount recognised in the prior period Operating costs
Principal operating income	**3,711,148,768**	**1,803,275,014**	3,605,531,797	1,664,934,765
Including: Shanghai-Nanjing Expressway	**2,139,654,572**	**464,799,022**	2,125,128,046	418,528,679
312 National Highway	**53,458,675**	**112,790,318**	58,826,599	120,396,173
Guangjing Xicheng Expressway	**349,572,225**	**102,013,748**	342,004,246	92,585,718
Nanjing-Lianyungang Highway	**16,255,516**	**7,913,324**	20,899,556	9,438,702
Ancillary services	**1,152,207,780**	**1,115,758,602**	1,058,673,350	1,023,985,493
Real estate income	**0**	**0**	13,791,551	6,946,939
Others	**18,207,644**	**5,547,915**	22,699,523	9,121,930
Total	**3,729,356,412**	**1,808,822,929**	3,642,022,871	1,681,003,634

3. Financial expenses

Unit: RMB

Item	**Amount incurred in current period**	Amount incurred in prior period
Interest expenses	**155,181,454**	148,397,365
Less: Amount of borrowing costs capitalised	**0**	0
Less: Interest income	**3,757,342**	3,839,846
Exchange difference	**-95,026**	1,656,640
Others	**698,776**	278,506
Total	**152,217,914**	143,179,385

4. Income tax expense

Unit: RMB

Item	**Amount incurred in current period**	Amount incurred in prior period
Current tax expense calculated according to tax laws and relevant requirements	**408,200,581**	418,633,877
Adjustments to deferred income tax	**-272,557**	-347,741
Total	**407,928,024**	418,286,136

As the Group did not conduct any business activities in Hong Kong, no Hong Kong profit tax was incurred.

5. Earnings per share and dividends

Calculations for basic earnings per share and diluted earnings per share

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

Unit: RMB

	Amount for the current period	Amount for the prior period
Net profit for the current period attributable to ordinary shareholders	**1,260,780,226**	1,299,490,735
Including: Net profit from continuing operations	**1,260,780,226**	1,299,490,735
Net profit from discontinued operations	**0**	0

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

Unit: RMB

	Amount for the current period	Amount for the prior period
Number of ordinary shares outstanding at the beginning of year	**5,037,747,500**	5,037,747,500
Add: Weighted average number of ordinary shares issued during the period	**0**	0
Less: Weighted average number of ordinary shares repurchased during the period	**0**	0
Number of ordinary shares outstanding at the end of year	**5,037,747,500**	5,037,747,500

Earnings per share:

Unit: RMB

	Amount for the current period	Amount for the prior period
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.2503**	0.2580
Diluted earnings per share	**N/A**	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	**0.2503**	0.2580
Diluted earnings per share	**N/A**	N/A
Calculated based on net profit from discontinued operations attributable to shareholders of the Company:		
Basic earnings per share	**N/A**	N/A
Diluted earnings per share	**N/A**	N/A

Interim dividends:

During the reporting period, the Board of the Company neither recommended the payment of an interim dividend for the six months ended 30 June 2012 (Corresponding period of 2011: Nil), nor did the Board increase the share capital by transferring reserve fund.

7. Current assets and current liabilities

7(a) Aging analysis of accounts receivable:

Unit: RMB

Aging	Closing balance Amount	Closing balance Proportion (%)	Closing balance Bad debt provision	Closing balance Carrying amount	Opening balance Amount	Opening balance Proportion (%)	Opening balance Bad debt provision	Opening balance Carrying amount
Within 1 year	**76,802,976**	**99**	**0**	**76,802,976**	47,367,781	99	0	47,367,781
More than 1 year but not exceeding 2 years	**0**	**0**	**0**	**0**	0	0	0	0
More than 2 years but not exceeding 3 years	**0**	**0**	**0**	**0**	0	0	0	0
More than 3 years	**550,000**	**1**	**550,000**	**0**	550,000	1	550,000	0
Total	**77,352,976**	**100**	**550,000**	**76,802,976**	47,917,781	100	550,000	47,367,781

7(b) Aging analysis of prepayments:

Unit: RMB

	Closing balance		Opening balance	
Aging	**Amount**	**Proportion** *(%)*	Amount	Proportion *(%)*
Within 1 year	**31,287,253**	**100**	11,510,280	99
More than 1 year but not exceeding 2 year	**20,000**	**0**	104,440	1
Total	**31,307,253**	**100**	11,614,720	100

7(c) Aging analysis of other receivables:

Unit: RMB

	Closing balance				Opening balance			
Aging	**Amount**	**Proportion** *(%)*	**Bad debt provision**	**Carrying amount**	Amount	Proportion *(%)*	Bad debt provision	Carrying amount
Within 1 year	**15,048,816**	**22**	**200,360**	**14,848,456**	10,769,914	20	188,440	10,581,474
More than 1 year but not exceeding 2 years	**12,889,295**	**18**	**180,742**	**12,708,553**	1,662,730	3	193,765	1,468,965
More than 2 years but not exceeding 3 years	**25,051,021**	**36**	**995**	**25,050,026**	25,053,355	46	724	25,052,631
More than 3 years	**16,812,972**	**24**	**16,812,972**	**0**	16,825,269	31	16,812,140	13,129
Total	**69,802,104**	**100**	**17,195,069**	**52,607,035**	54,311,268	100	17,195,069	37,116,199

7(d) Aging analysis of accounts payables:

Unit: RMB

Item	**Closing balance**	Opening balance
Within 1 year	**196,034,037**	215,494,589
1-2 years	**83,290**	13,136,240
2-3 years	**0**	0
Over 3 years	**77,058,949**	78,781,095
Total	**273,176,276**	307,411,924

Description of significant accounts payable aged more than one year: as at 30 June 2012, the accounts payable which aged more than one year mainly consisted of construction costs payable amounting to RMB 77,058,949. The payment term is comparatively long and such construction costs payable kept unpaid at the end of the period.

Details of accounts payable:

Unit: RMB

Item	**Closing balance**	Opening balance
Construction costs payable	**77,248,385**	79,376,103
Construction costs payable for real estate development	**183,304,497**	180,412,200
Toll road fee payable	**5,033,338**	9,167,840
Daily purchase payable for service zones	**7,590,056**	23,072,861
Others	**0**	15,382,920
Total	**273,176,276**	307,411,924

7(e) Details of receipts in advance:

Unit: RMB

Item	**Closing balance**	Opening balance
Rental deposit received in advance	**12,063,386**	5,656,715
Advertising service fee received in advance	**15,265,702**	14,093,245
Income from properties for sales received in advance	**334,610,558**	326,745,495
Others	**417,863**	188,280
Total	**362,357,509**	346,683,735

7(f) Details of other payables are as follows:

Unit: RMB

Item	**Closing balance**	Opening balance
312 toll road operation right acquisition costs payable	**10,000,000**	10,000,000
Construction quality warrantee fee payable	**62,285,630**	57,969,174
Others	**39,368,378**	33,523,059
Total	**111,654,008**	101,492,233

As at 30 June 2012, other payables aged more than one year mainly included construction quality warrantee fee, construction costs payable and 312 toll road operation right acquisition costs payable.

8. Net current assets (liabilities)/Total assets less current liabilities

Unit: RMB

	Closing balance	Opening balance
Current assets	**3,675,009,818**	3,403,446,608
Total assets	**26,705,914,277**	25,375,438,896
Less: current liabilities	**5,966,559,875**	4,302,651,046
Net current liabilities	**-2,291,550,057**	-899,204,438
Total assets less current liabilities	**20,739,354,402**	21,072,787,850

9. Segment reporting:

Based on the Group's internal organisation structure, management requirements and internal reporting system, the operations of the Group are classified into 6 reporting segments. The reporting segments are determined based on the standard with which the Group's management evaluates the operating results of these reporting segments and make decisions about resources to be allocated to the segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. Major products and services delivered or provided by each of the reporting segments are Shanghai-Nanjing Expressway, 312 National Highway, Nanjing-Lianyungang Highway, Guangjing Xicheng Expressway, ancillary services and real estate development, investment and advertisement.

Ancillary services include petrol, food and beverage and retail service in service zones along the expressways. Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to the management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

Segment information

Unit: RMB

	Shanghai-Nanjing Expressway		312 National Highway		Nanjing-Lianyungang Highway		Guangjing Xicheng Expressway		Ancillary services		Real estate, investment and advertisement		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Operating income	2,139,654,572	2,125,128,046	53,458,675	58,826,599	16,255,516	20,899,556	349,572,225	342,004,246	1,152,207,780	1,058,673,350	18,207,644	36,491,074			3,729,356,412	3,642,022,871
Operating costs	464,799,022	418,528,679	112,790,318	120,396,173	7,913,324	9,438,702	102,013,748	92,585,718	1,115,758,602	1,023,985,493	5,547,915	16,068,869			1,808,822,929	1,681,003,634
Segment operating profit (loss)	1,674,855,550	1,706,599,367	-59,331,643	-61,569,574	8,342,192	11,460,854	247,558,477	249,418,528	36,449,178	34,687,857	12,659,729	20,422,205			1,920,533,483	1,961,019,237
Reconciling items:																
Business taxes and levies	71,892,394	71,293,503	2,993,686	3,289,478	546,185	701,120	11,745,627	11,474,400	4,587,343	4,517,500	1,553,480				93,318,715	91,276,001
Selling expenses											1,074,099	3,579,685			1,074,099	3,579,685
Administrative expenses	31,681,487	31,784,580											44,722,687	41,524,675	76,404,174	73,309,255
Financial expenses													152,217,914	143,179,385	152,217,914	143,179,385
Impairment loss of assets													0	-500,000	0	-500,000
Gains from changes in fair values													-1,090,228	-621,390	-1,090,228	-621,390
Investment income													103,173,907	102,121,292	103,173,907	102,121,292
Operating profit	1,571,281,669	1,603,521,284	-62,325,329	-64,859,052	7,796,007	10,759,734	235,812,850	237,944,128	31,861,835	30,170,357	10,032,150	16,842,520	-94,856,922	-82,704,158	1,699,602,260	1,751,674,813
Non-operating income													3,886,577	6,179,749	3,886,577	6,179,749
Non-operating expenses													8,144,466	12,536,356	8,144,466	12,536,356
Total profit	1,571,281,669	1,603,521,284	-62,325,329	-64,859,052	7,796,007	10,759,734	235,812,850	237,944,128	31,861,835	30,170,357	10,032,150	16,842,520	-99,114,811	-89,060,765	1,695,344,371	1,745,318,206
Income tax													407,928,024	418,286,136	407,928,024	418,286,136
Net profit	1,571,281,669	1,603,521,284	-62,325,329	-64,859,052	7,796,007	10,759,734	235,812,850	237,944,128	31,861,835	30,170,357	10,032,150	16,842,520	-507,042,835	-507,346,901	1,287,416,347	1,327,032,070
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
Total segment assets	14,352,408,269	14,663,463,561	2,411,878,120	2,490,285,151	333,575,178	338,725,065	1,688,680,834	1,760,063,286	382,970,714	391,139,544	2,340,646,011	2,251,528,260	5,195,755,151	3,480,234,029	26,705,914,277	25,375,438,896

Segment profit represents the gross profit earned by each segment without allocation of administrative expenses, finance costs and investment income. This is the measure reported to the Group's Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to the operating segments other than long term equity investments, held for trading financial assets, cash and bank deposits and other corporate assets.

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
Yang Gen Lin
Chairman of the Board

Nanjing, the PRC, 17 August 2012

As at the date of this announcement, Directors of the Company are:
Yang Gen Lin, Zhang Yang, Chen Xiang Hui, Du Wen Yi, Qian Yong Xiang, Cheng Chang Yung Tsung, Alice, Fang Hung, Kenneth, Chen Dong Hua, Xu Chang Xin*, Gao Bo* and Zhang Erzhen**

* *Independent Non-executive Directors*