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 2013 ANNUAL RESULTS

I. IMPORTANT NOTICE

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

This summary of annual results is extracted from the Company's annual report. The full text of the annual report will be posted on the websites of the Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") (www.hkexnews.hk) and the Company (www.jsexpressway.com). Investors should read the full text of the annual report carefully for details.

1.2 Company profile

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
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II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Major financial data

Unit: RMB'000

	As at end of 2013	As at end of 2012	Increase/ decrease over previous year %	As at end of 2011	As at end of 2010	As at end of 2009
Total assets	**26,833,912**	25,849,258	3.81	25,375,439	24,897,493	25,496,204
Net assets attributable to equity holders of the Company	**19,596,484**	18,688,862	4.86	18,144,690	17,563,723	16,756,571
Net cash flow from operating activities	**3,084,162**	3,189,410	–3.30	3,835,414	3,391,632	1,797,660
Operating revenue	**7,614,227**	7,795,943	–2.33	7,401,310	6,756,244	5,741,346
Net profit attributable to equity holders of the Company	**2,707,743**	2,333,345	16.05	2,429,750	2,484,404	2,010,972
Net profit attributable to equity holders of the Company after non-recurring profit/loss	**2,648,403**	2,342,604	13.05	2,430,245	2,475,692	2,010,395
Weighted average return on net assets *(%)*	**14.49**	12.99	Increased by 1.5 percentage points	13.96	14.81	12.55
Basic earnings per share *(RMB/share)*	**0.538**	0.463	16.05	0.482	0.493	0.399
Diluted earnings per share *(RMB/share)*	**N/A**	N/A	N/A	N/A	N/A	N/A

2.2 Shareholding of top ten shareholders

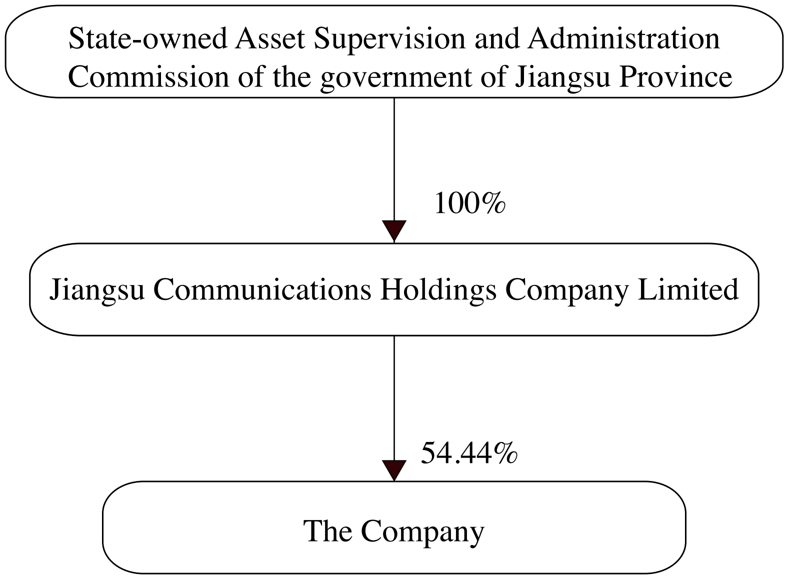
Total number of shareholders at the end of the reporting period	38,117	Total number of shareholders at the end of the fifth trading day before publication of the annual report	37,599

Shareholding of the top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares held subject to selling restrictions	Number of shares pledged or frozen
Jiangsu Communications Holdings Company Ltd.	State-owned legal person	54.44	2,742,578,825	0	Nil
China Merchants Huajian Highway Investment Co., Ltd	State-owned legal person	11.69	589,059,077	0	Nil
Blackrock, Inc.	Foreign legal person	2.71	136,717,929	0	Unknown
Mondrian Investment Partners Limited	Foreign legal person	1.95	98,190,000	0	Unknown
Matthews International Capital Management, LLC	Foreign legal person	1.94	97,846,000	0	Unknown
Deutsche Bank Aktiengesellschaft	Foreign legal person	1.70	85,863,587	0	Unknown
JPMorgan Chase & Co.	Foreign legal person	1.53	77,286,851	0	Unknown
The Bank of New York Mellon Corporation	Foreign legal person	1.26	63,674,30	0	Unknown
Jiantou Zhongxin Asset Management Co., Ltd.	Others	0.42	21,410,000	0	Unknown
Guotai Junan Securities Co., Ltd.	Others	0.36	18,198,391	0	Unknown

Description of any connected relationship among the above shareholders	The Company is not aware of whether or not there is any connected relationship between the top ten holders of A Shares in circulation and the top ten shareholders.

2.3 Diagram of the ownership and controlling relationship between the Company and the de facto controller



II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Business Review and Operation Analysis

1. Business Overview

During the reporting period, the Group realized total operating revenues of approximately RMB7,614,227,000, down by approximately 2.33% year-on-year, of which toll revenue amounted to approximately RMB5,344,929,000, representing a slight increase of approximately 4.97% year-on-year; revenue from ancillary services amounted to approximately RMB2,150,139,000, down by approximately 8.79% year-on-year; revenue from property sales amounted to RMB75,200,000, representing a decrease of 75.3% year-on-year; and revenue from advertising and other operations amounted to approximately RMB43,959,000, up by approximately 4.55% year-on-year. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB3,557,162,000 during the reporting period, an increase of approximately 12.09% over the same period in 2012. Net profit attributable to owners of the Company was approximately RMB2,707,743,000 and earnings per share was approximately RMB0.538, an increase of approximately 16.05% over the same period in 2012.

2. *Toll road and bridge operations*

(1) Analysis of Business Environment

The overall performance of the Group's toll road and bridge operations in 2013 were affected by the following factors:

◇ Impact of the macroeconomic environment

The macroeconomic environment remained a stable growth and transformation and upgrading saw new progresses in the year. The gross production of Jiangsu Province recorded a year-on-year growth of 9.6% with a sustained recovery of economic vitality though the figure decreased by 0.5 percentage point for the same period last year. The macroeconomic environment is an essential factor affecting the demands for transportation, especially the vigor of the real economy has greater impact on demands for freight transportation. Under the assistance of continuous recovery of the economy, traffic volumes, the cargo volumes in particular, of major road and bridge projects of the Group showed a strong recovery in 2013 with its growth rate basically keeping pace with, even slightly higher than that of passenger vehicles, which facilitated a sustained growth of toll revenue.

◇ Changes in traffic demand and competition pattern

In 2013, the transportation industry of Jiangsu Province basically remained stable. The passenger and cargo transportation volumes rose by 4.0% and 8.8% year on year, respectively. Turnover of passengers and goods increased by 5.7% and 12.2% year on year, respectively. As at the end of the year, vehicle ownership for civilian use totaled 9,544,000, representing an increase of 17.4%, of which, the number of private car ownership was 7,901,000, representing an increase of 20.0% (data source: governmental statistics information website (政府統計信息網站)). The continuously rapid development of car ownership would be an internal drive to the natural growth of road traffic flow, and meanwhile a higher car ownership in the region will give more free play to the competitive advantage of highways in the short-distance transportation and thus improve the ability to resist diversion impact of other transport modes.

In respect of traffic diversion, the competition pattern within the road networks remained relatively stable during the year. As at the end of 2013, total operating expressway mileage in the Jiangsu Province amounted to 4,443 kilometers, with newly-added mileage of 71.5 kilometers. The newly-opened sections did not have diversion impact on the Group's road network. In respect of competition from railways, the Ning-Hang High Speed Railway, newly opened in July 2013, and highways of the Group run in different directions, thus did not have diversion impact. The Hu-Ning Intercity High Speed Railway and Jing-Hu High Speed Railway ran smoothly and the diversion impact on Shanghai-Nanjing Expressway was not expanded.

◇ Policy's impact on toll roads

The policy of toll-free travel for small passenger vehicles in major festivals and holidays and toll-free green passage for vehicles carrying fresh and live agricultural products were continuously implemented during the year. Other than these, the Central and local government did not promulgate further policies that would bring negative impact on the toll road business of the Group, thus the policy environment of the industry remained relatively stable. In May 2013, the Ministry of Transport of the PRC published the Amendments to the Regulation on the Administration of Toll Roads for collection of opinions from all walks of life. Up to the end of the year, a conclusive opinion has not been drawn.

The toll-free travel for small passenger vehicles in major festivals and holidays is the most principal factor affecting revenue from the toll business. As compared to 2012, the Chinese New Year, Ching Ming Festival and Labour Day, the three newly-added festivals and holidays with free travels in 2013 totaled thirteen days. Taking no account of the increase in volume, the decrease in actual toll revenue from roads of the Group amounted to approximately RMB107 million as compared with the same period last year, in addition to seven days of free travel in the National Day, a total of twenty days of free travels for small passenger vehicles in major festivals and holidays in 2013 resulted in approximately RMB200 million uncollectable, representing nearly 4% of the aggregate amount of toll revenue for the whole year. In 2013, total toll fees waived for vehicles using the Green Passage amounted to approximately RMB91.80 million, representing a year-on-year decrease of approximately 21.26% and equivalent to approximately 1.72% of total toll revenue.

(2) Business Performance and Analysis on Project Operation

The toll revenue from road and bridge business of the Group showed a growing tendency, recorded a toll revenue of RMB5,344,929,000, representing a year-on-year increase of approximately 4.97% and accounting for 70.20% of total revenue from operation of the Group.

Comparison of average daily traffic volume and toll revenue

Road/Bridge	**Average daily traffic volume** *(vehicle/day)*			**Average daily toll revenue** *(RMB'000/day)*		
	2013	2012	Change *(%)*	**2013**	2012	Change *(%)*
Shanghai-Nanjing Expressway	**71,460**	66,120	8.08	**12,388.4**	11,725.6	5.65
Shanghai-Nanjing Section of G312	**9,125**	14,788	–38.29	**146.4**	229.0	–36.08
Nanjing Section of Nanjing-Lianyungang Highway	**4,910**	4,524	8.54	**100.5**	91.6	9.70
Guangjing Expressway	**51,214**	47,122	8.68	**712.6**	678.4	5.04
Xicheng Expressway	**55,139**	50,416	9.37	**1,295.8**	1,187.9	9.08
Jiangyin Yangtze Bridge	**61,392**	56,147	9.34	**2,464.0**	2,277.8	8.17
Sujiahang Expressway	**47,669**	42,005	13.49	**2,863.7**	2,590.5	10.54

In respect of the operation performance of each project, the average daily traffic volume of Shanghai-Nanjing Expressway increased by 8.08% year-on-year and the growth rate of truck traffic volume and passenger vehicle traffic volume were basically on par. As compared to that of 2012, the truck traffic volume recovered with a significant growth of 8.23%, while the truck traffic volume decreased by 0.57% for 2012. The proportion of average daily traffic volume and revenue were 28.06% and 52.02% respectively, representing a slight increase as compared with the same period last year. Although toll revenue was influenced by free use of highways by passenger cars on festivals and holidays, an increase of 5.65% in average daily toll revenue was recorded due to good performance of traffic volume, truck traffic volume in particular, which made up the loss of certain toll revenue. The ETC traffic volume still kept a rapid growth. During the reporting period, the ETC average daily traffic volume and average daily revenue of Shanghai-Nanjing Expressway amounted to 14,486 vehicles and approximately RMB2,319,200, representing approximately 20.27% and 18.72% of its average daily traffic volume and toll revenue respectively. With further promotion and application of Sutong Card, there will be room for growth of the ETC traffic volume in the future.

Other road and bridge project with the exception of G312 achieved good operation performance for 2013. The traffic volumes remained at a high level of growth of nearly 10%. The growth of truck traffic volume was generally higher than that of passenger traffic volume, with the proportion of truck traffic volume increasing to various degrees. However, influenced by free use of highways by passenger cars on festivals and holidays, the growth rate of toll revenue was slightly lower than the growth of traffic volume. As such, the revenue per vehicle declined slightly.

Two stations and two points on the Shanghai-Nanjing section of G312 were removed on 15 July 2012, so daily traffic volume and toll revenue decreased by 38.29% and 36.08% on a year-on-year basis, respectively. The continuous decline of operation did not have significant impact on the overall performance of the principal businesses of the Group due to toll revenue from G312 only accounted for 1% of the aggregate toll revenue of the Group. The government of Jiangsu Province granted approval to the compensations for losses resulting from the removal according to the audited net assets in relation to the toll collection operation rights at the end of 2012. The amortization of road operation rights involved in the removal of stations and points amounted to approximately RMB1,124 million. As at the publication of the report, the specific compensation plan is being discussed and drafted by the government of Jiangsu Province. The Company will positively communicate with government authorities and express expectation of the Company and investors as much as possible and will disclose in a timely manner in case of any new progresses.

3. Operation of Ancillary Services

In 2013, the Company recorded revenue of approximately RMB2,150,139,000 from the ancillary services, a decrease of approximately 8.79% over the corresponding period in the previous year. Of this revenue, revenue from sales of petroleum products was approximately RMB1,950,084,000, a decrease of approximately 9.80 % over the corresponding period in the previous year, representing approximately 90.70% of the total ancillary services revenue, which was mainly due to the sale of standard gasoline prescribed under the National IV at the services areas of the Company under revenant environmental requirements from the beginning of this year, thus petroleum products sold at the services areas lost the price advantage as compared to surrounding provinces, leading to a year-on-year decrease of approximately 10.56% in the sales volume of the petroleum products. Revenue from other businesses including food and beverage, retail sales of goods and hindrance clearance services amounted to RMB200,055,000, representing an increase of approximately 2.38% as compared to the corresponding period in 2012.

4. Property Development and Sales Business

In 2013, in response to a favourble turn in supply-demand dynamics in the market with rigid demand, the Company seized the opportunity, expedited the development schedules and kept enhancing its planning and design, development and sales capacities and pushed forward the "One City" series products in an all-round way, while keeping a close eye on land market dynamics with a view to seize the opportunities to increase its land reserves. During the year, the area of newly-acquired land reserve was 30,664.5 m^2 with a consideration of RMB551,960,000. The new development area was approximately 100,000 m^2 and the accumulative development area was over 320,000 m^2. During the year, a total of approximately RMB550 million was invested in the developed properties, and proceeds from pre-sale of salable projects amounted to approximately RMB424,927,000, and the carry-over revenue from sales for the year amounted to approximately RMB75,200,000, representing a decrease of approximately 75.3% as compared to the same period last year. As only the remaining housing units of Lot C4 in the core commercial area of Huaqiao were delivered to buyers in the year amd other projects were at the stage of pre-sale without delivery, the revenue from properties decreased significantly on a year-on-year basis.

5. Advertising and other businesses

Other businesses of the Company mainly comprise advertisement operations, lease of commercial properties and property services. In 2013, the revenue from advertising and other business of the Group amounted to RMB43,959,000, representing a year-on-year increase of 4.55%. Among which, revenue from advertisement operations was approximately RMB40,636,000, representing a slight year-on-year increase of approximately 0.37%; revenue from property service fees and lease of commercial properties was approximately RMB3,323,000, representing a year-on-year increase of approximately 112.85%, which was mainly attributable to the rental income from the lease of commercial properties in Kunshan by Ninghu Investment, and the property management income from the management and operation of residential properties delivered by Ninghu Properties.

(II) Financial Analysis

1. Changes in relevant items in income statement and cash flow statement

Unit: RMB'000

Item	Current period	Corresponding period of last year	Changes (%)
Operating revenue	**7,614,227**	7,795,943	–2.33
Operating costs	**3,694,144**	4,054,627	–8.89
Selling expenses	**9,832**	8,525	15.33
Administrative expenses	**176,140**	177,535	–0.79
Financial expenses	**292,786**	333,410	–12.18
Net cash flow from operating activities	**3,084,162**	3,189,410	–3.30
Net cash flow from investing activities	**–964,869**	–1,310,394	–26.37
Net cash flow from financing activities	**–2,396,601**	–1,998,661	19.91

2. Business Classifications

In 2013, the Group recorded aggregate operating revenue of approximately RMB7,614,227,000, representing a decrease of approximately 2.33% as compared to the corresponding period in 2012. Operating costs amounted to approximately RMB3,694,144,000 in aggregate, representing a decrease of approximately 8.89% as compared to the corresponding period in 2012. The decrease rate of revenue was lower than the decrease rate of costs, leading to an increase of approximately 3.49 percentage points of the Group's consolidated gross profit margin. The structures of revenues and costs are set out below:

Item	**Operating revenue**		**Operating costs**		**Gross profit margin** *(%)*	
	2013 *(RMB'000)*	Change over the previous year *(%)*	**2013** *(RMB'000)*	Change over the previous year *(%)*	**2013**	Year-on-year increase/decrease
Toll road	**5,344,929**	4.97	**1,548,946**	2.66	**71.02**	Increased by 0.65 percentage point
Shanghai-Nanjing Expressway	**4,521,753**	5.36	**1,085,365**	6.02	**76.00**	Decreased by 0.15 percentage points
Shanghai-Nanjing Section of G312	**53,434**	–36.26	**200,674**	–9.61	**–275.55**	Decreased by 110.72 percentage points
Nanjing Section of Nanjing-Lianyungang Highway	**36,689**	9.40	**18,032**	8.84	**50.85**	Increased by 0.25 percentage point
Guangjing Xicheng Expressway	**733,053**	7.32	**244,875**	–0.68	**66.60**	Increased by 2.69 percentage points
Ancillary Services	**2,150,139**	–8.79	**2,099,889**	–8.98	**2.34**	Increased by 0.20 percentage point
Property Sales	**75,200**	–75.30	**29,508**	–86.80	**60.76**	Increased by 34.20 percentage points
Advertising and others	**43,959**	4.55	**15,801**	4.11	**64.06**	Increased by 0.16 percentage point
Total	**7,614,227**	–2.33	**3,694,144**	–8.89	**51.48**	Increased by 3.49 percentage points

3. *Structures of Revenue*

Items of Operating Revenue	**2013** *(RMB'000)*	**Percentage** %	2012 *(RMB'000)*	**Percentage** %	**Change over the previous year** *(%)*
Revenue from toll road operations	**5,344,929**	70.20	5,092,022	65.32	4.97
Revenue from ancillary business	**2,150,139**	28.24	2,357,432	30.24	–8.79
Revenue from property sales	**75,200**	0.99	304,442	3.90	–75.30
Revenue from advertising and other businesses	**43,959**	0.57	42,047	0.54	4.55
Total	**7,614,227**	100	7,795,943	100	–2.33

As the major customers of the Group's toll business, operation business in service zone and property sales business are social individual consumers and there is no bulk procurement related to day-to-day operations, there is no information on major customers and suppliers of the Group required to be further disclosed.

4. Structures of Costs

During the reporting period, aggregated operating costs amounted to approximately RMB3,694,144,000, representing a year-on-year decrease of approximately 8.89%. The structures of costs of each business category are set out below:

Item of Operating Costs	2013	Percentage	2012	Percentage	Change over the previous year
	(RMB'000)	%	*(RMB'000)*	%	*(%)*
Operating costs of the toll road operations	**1,548,946**	41.93	1,508,833	37.21	2.66
Depreciation and amortization	**865,791**	23.44	877,671	21.65	–1.35
Costs on toll collection operation	**129,792**	3.51	129,430	3.19	0.28
Costs on roads and bridges maintenance	**157,579**	4.27	136,530	3.37	15.42
Costs on system maintenance	**30,248**	0.82	30,276	0.75	–0.09
Labor costs	**365,536**	9.89	334,926	8.25	9.14
Costs on ancillary businesses	**2,099,889**	56.84	2,307,046	56.90	–8.98
Raw materials	**1,940,508**	52.53	2,153,083	53.10	–9.87
Depreciation and amortization	**20,679**	0.56	20,463	0.50	1.05
Labor costs	**104,434**	2.82	94,960	2.34	9.98
Other costs	**34,268**	0.93	38,540	0.95	–11.08
Costs on property sales business	**29,508**	0.80	223,571	5.51	–86.80
Costs on advertising and other business	**15,801**	0.43	15,177	0.38	4.11
Total	**3,694,144**	100	4,054,627	100	–8.89

5. *Expenses*

(1) Administrative Expenses

During 2013, administrative expenses of the Group amounted to RMB176,140,000 in aggregate, representing a year-on-year decrease of 0.79%. The budget control of administrative expenses of the Company was in good condition in 2013 through strengthening budget management and strict expenses control.

(2) Finance expenses

As at 31 December 2013, the total interest-bearing liabilities of the Group amounted to RMB5,483,733,000, representing a decrease of RMB217,666,000 as compared to the corresponding period in 2012. As the balance of interest-bearing liabilities decreased, debt structure was adjusted and the average interest rate of bank loan for the year decreased over the previous year, the Group's aggregate finance costs amounted to RMB292,786,000, representing a year-on-year decrease of 12.18%. The Company adopted positive measures to enhance capital utilization efficiency, as well as reducing finance costs through various direct financing means including the issue of short-term commercial papers, non-public directed debt instrument, mid-term notes and so forth, finance costs of the Group during the reporting period were under effective control in general.

(3) Selling expenses

In 2013, the Group's aggregate selling expenses amounted to approximately RMB9,832,000, representing a year-on-year increase of 15.33% which was mainly due to gradual commencement of pre-sale of real estate projects of Ninghu Properties.

(4) Income Tax

The statutory tax rate of all companies under the Group was 25%. In 2013, income tax expense of the Group amounted to RMB851,870,000 in aggregate, representing a year-on-year increase of 11.44%.

6. Non-operating Income

In 2013, the Group achieved non-operating income of approximately RMB102,541,000, representing an increase of 912.50%, which was mainly due to proceeds from disposal of Zhenjiang branch line of Shanghai-Nanjing Expressway.

7. Item of Cash Flow Statements

Item of Cash Flow	**2013** *(RMB'000)*	2012 *(RMB'000)*	**Change over the previous year** *(%)*	**Reasons for Changes**
Net cash flow from operating activities	**3,084,162**	3,189,410	–3.30	As the cash inflow from toll revenue and property business significantly increased over the previous year, such increase was still lower than the increase in cash outflow from property business and taxes, leading to the decrease in net cash flow from operating activities over the previous year.
Net cash flow from investment activities	**–964,869**	–1,310,394	–26.37	During the reporting period, cash paid for external investment decreased over the previous year.
Net cash flow from financing activities	**–2,396,601**	–1,998,661	19.91	During the reporting period, the Company positively repaid interest-bearing debt, leading to the decrease in net cash outflow from financing activities over the previous year.

8. Assets and Liabilities

Item of Assets and Liabilities	2013	Percentage	2012	Percentage	Change over the previous year
	RMB'000	%	*RMB'000*	%	%
			(Restated)		
Cash and bank balances	**409,177**	1.52	686,485	2.66	–40.40
Accounts receivable	**51,444**	0.19	83,407	0.32	–38.32
Inventories	**2,844,578**	10.60	1,945,199	7.53	46.24
Other current assets	**175,082**	0.65	327,026	1.27	–46.46
Available-for-sale financial assets	**1,290,726**	4.81	284,566	1.10	353.58
Investment properties	**35,415**	0.13	22,727	0.09	55.83
Long-term equity investment	**3,787,360**	14.12	3,492,801	13.51	8.43
Fixed assets	**1,099,548**	4.10	1,128,318	4.36	–2.55
Construction in progress	**127,708**	0.48	30,794	0.12	314.71
Short-term borrowings	**3,220,000**	12.00	2,550,000	9.86	26.27
Receipts in advance	**412,907**	1.54	107,874	0.42	282.77
Taxes payable	**155,967**	0.58	230,006	0.89	–32.19
Dividends payable	**62,904**	0.23	122,615	0.47	–48.70
Other payables	**174,956**	0.65	124,030	0.48	41.06
Non-current liabilities due within one year	**1,511**	0.01	1,201,557	4.65	–99.87
Long-term borrowings	**271,148**	1.01	453,360	1.75	–40.19
Bonds payable	**991,074**	3.69	496,482	1.92	99.62
Shareholders' equity attributable to equity holders of the Company	**19,596,484**	73.03	18,688,862	72.30	4.86
Minority interests	**501,744**	1.87	466,614	1.81	7.53
Total Assets	**26,833,912**	100	25,849,258	100	3.81
Total gearing ratio	**25.10%**	—	25.90%	—	Decreased by 0.8 percentage point
Net gearing ratio	**33.51%**	—	34.94 %	—	Decreased by 1.43 percentage points

9. *Explanations on the changes in assets calculated on a fair value basis and the measurement attributes of major assets*

During the reporting period, Ninghu Investment, a subsidiary of the Company, continued to hold Fuanda Advantageous Growth Foundation （富安達優勢成長基金） purchased in 2011. The net value at the beginning of the year amounted to RMB18,065,000 and the net value at the end of the year amounted to RMB20,175,000, and the fair value increased by RMB2,110,000.

10. *Capital expenditures*

In 2013, the Group's planned capital expenditures actually incurred amounted to approximately RMB1,384,859,000, representing a decrease of 18.84% or RMB321,499,000 from 2012. In 2013, the Group's implemented capital expenditure projects and amounts are as follows:

Capital Expenditure Project	*RMB'000*
Purchase shares of the Bank of Jiangsu	1,000,000
Acquire minority interest of Ninghu Investment	15,100
Equity investment in Sujiayong Company	114,027
Equity investment in Luode Fund	5,850
Equity investment in Jiangsu GCL	2,880
Equity investment in Network Operation	6,160
Balance payment of the expansion works of Shanghai-Nanjing Expressway	31,490
Lighting engineering project of Shanghai-Nanjing Expressway	21,949
Upgrade and renovation of informationization construction and telecommunication system	48,188
Renovation of toll collection points and service areas of Shanghai-Nanjing Expressway	46,002
Renovation of the three major systems and traffic signals of Shanghai-Nanjing Expressway	21,371
Renovation of toll collection points and service areas of Guangjing Xicheng Expressway	4,734
Interflow and renovation of Jingjiang station of Guangjing Xicheng Expressway	19,700

Capital Expenditure Project	*RMB'000*
Setting up advertising signages	4,615
Other construction in progress and equipment	42,793
Total	1,384,859

11. *Financial Strategy and Financing Arrangement*

During the reporting period, the Company actively expanded its financing channels and adjusted its debt structure. The total direct financing amount for the year amounted to RMB4.0 billion, which could satisfy the fund demands of operation management and project investment and effectively reduced financing costs. In 2013, the Company's consolidated borrowing cost of interest-bearing liabilities was approximately 5.24%. Though It was approximately 0.18 percentage point lower than the previous year, it managed to be approximately 0.79 percentage point lower than the prevailing bank borrowing rate of the same period.

In 2013, the Company's major financing activities are as follows:

Financing category	**Date of issue**	**Term**	**Financing amount** *(RMB100 million)*	**Issuing interest rate** *(%)*	**Prevailing benchmark rate of banks** *(%)*	**Decrease in financing costs** *(%)*
Non-public direct debt financing instruments	3 May 2013	6 Months	5	4.3	5.6	23.21
Non-public direct debt financing instruments	29 July 2013	1 year	6	5.3	6	11.67
Non-public direct debt financing instruments	27 August 2013	1 year	4	5.5	6	8.33
Mid-term notes	21 June 2013	5 years	5	4.98	6.4	22.19
Short-term commercial papers	17 October 2013	1 year	10	5.32	6	11.33
Short-term commercial papers	18 November 2013	1 year	10	5.69	6	5.17

12. Pledge of assets

During the year, Guangjing Xicheng, a subsidiary of the Company, obtained long-term bank borrowings through pledging the operation right of Guangjing Xicheng Expressway. As at 31 December 2013, the net carrying amount of such pledged assets was approximately RMB1,483 million.

13. Contingencies

Ninghu Properties, a subsidiary of the Company provided guarantees to banks for bank borrowings granted to buyers of properties Kunshan Huaqiao Tingeing Hongqiao Mansion. The obligation will commence from the date on which the guarantee contract comes into effect and will end when the buyers complete registration of mortgage and pass the properties ownership certification to bank. As at 31 December 2013, the outstanding guarantees amounted to approximately RMB83,921,525 (31 December 2012: RMB11,242,012).

14. Trust deposits

As at 31 December 2013, the Company did not have any trust deposits with any financial institutions in China or any fixed term deposits which were irrecoverable upon their maturity.

15. Trust loans

The Company borrowed RMB40,000,000, RMB50,000,000, RMB100,000,000 and RMB190,000,000 respectively on 19 March 2013, 10 May 2013, 25 June 2013 and 30 August 2013, by way of trust loans from Far East Shipping, a related company. The loans have a term of one year, carrying an annual interest rate of 6%. During the reporting period, the Company repaid RMB190,000,000 in advance and the outstanding balance is RMB190,000,000 as at the end of the reporting period.

16. *Reserves*

Unit: RMB'000

	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total shareholders' equity attributable to equity holders of the Company
1 January 2012	5,037,748	7,541,528	2,291,734	3,273,680	18,144,690
Profit for the year				2,333,345	2,333,345
Other comprehensive income		24,416			24,416
Profit distributed			258,393	–258,393	0
Dividends distributed				–1,813,589	–1,813,589
31 December 2012	5,037,748	7,565,944	2,550,127	3,535,043	18,688,862
1 January 2013	**5,037,748**	**7,565,944**	**2,550,127**	**3,535,043**	**18,688,862**
Profit for the year				**2,707,743**	**2,707,743**
Other comprehensive income		**14,453**			**14,453**
Reduction of owners' capital		**–985**			**–985**
Profit distributed			**283,171**	**–283,171**	**0**
Dividends distributed				**–1,813,589**	**–1,813,589**
31 December 2013	**5,037,748**	**7,579,412**	**2,833,298**	**4,146,026**	**19,596,484**

Note: The above capital items belong to those companies forming the Group.

The above statutory reserves may not be used for purposes other than their intended purposes nor for distribution as cash dividends.

(IV) INVESTMENT ANALYSIS

During the reporting period, an aggregate of approximately RMB1,144,017,000 of external investment was made by the Group, representing a decrease of approximately RMB1,541,200,000 or 25.77%. Details of investment in specific projects are as follows:

1. *Progress of New Construction and Investment Projects*

(1) Progress of investment in the Changshu-Jiaxing Expressway

On 3 June 2011, the Company's investment in the new project for the construction of the Changshu-Jiaxing Expressway was approved by the Board of the Company. Sujiayong Company, which was initially owned as to 30% by the Company, took charge of the construction, operation and management of the Changshu-Jiaxing Expressway. During the reporting period, in order to improve the operating efficiency of Sujiayong Company, the expenses of RMB457 million for land requisition, demolition and relocation in relation to the project as stated in the preliminary budget plan approved by the Development and Reform Commission of Jiangsu Province was used as contributions made by the local governments along the expressway as new shareholders respectively. Therefore, the total capital of Sujiayong Company was accordingly increased from RMB1,438.49 million to RMB1,895.49 million and the capital ratio of Sujiayong Company was adjusted from 35% to 46.12%, thus lowering its debt levels and lessening its pressure on interest and principal payments to a certain extent. Taking into account the positive effects arising from the participation of the local governments along the expressway on the project, the Board of the Company agreed to waive the pre-emptive right in respect of the share capital enlargement of Sujiayong Company and maintained the original investment. As a result, the equity interest held in Sujiayong Company decreased from 30% to 22.77%. For details, please refer to the further announcement of the Company published on the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Stock Exchange (www.hkexnews.hk) on 24 August 2013. As at the end of the reporting period, the Changshu-Jiaxing Expressway has commenced overall construction in a smooth progress. Capital invested by the Company was approximately RMB114,027,000 in the year with the aggregate investment amounting to RMB189,027,000.

(2) Progress of construction of Zhenjiang-Danyang Expressway

In October 2012, the Company's investment in new project of construction of the Zhenjiang-Danyang Expressway was considered and approved by the Board of the Company. The Company holds 70% interests in the project with an aggregate investment not exceed RMB400 million. As at the end of the reporting period, the relevant examination and approval procedures for Zhenjiang-Danyang Expressway construction project were completed and overall construction will commence shortly.

(3) Investment in the project of reconstruction and extension of the Suzhou New Area Interchange of Shanghai-Nanjing Expressway

The Suzhou New Area Interchange of Shanghai-Nanjing Expressway is located at the western region of Suzhou city. With the construction and operation of urban ring expressway as well as the rapid development of Suzhou city, the traffic flow at the toll station of Suzhou New Area sees rapid growth, which drag down services provided at the interchange ramp and toll collection junction, resulting in frequent congestion at rush hour. In order to improve the traffic capacity of Shanghai-Nanjing Expressway's interchange ramp and toll collection junction at Suzhou New Area, negotiation was carried out between the Company and Suzhou Municipal Transportation Department (蘇州市交通局) in relation to the reconstruction and extension of Shanghai-Nanjing Expressway's interchange ramp and toll collection junction at Suzhou New Area. The estimated investment for project contracting amounts to approximately RMB108.9 million and relevant resolution was considered and approved at the 11th meeting of the seventh session of the Board on 21 December 2013.

2. *External Equity Investment*

(1) Participate in the share capital enlargement of the Bank of Jiangsu

During the reporting period, the Company participated in the share capital enlargement of the Bank of Jiangsu by investing RMB1 billion to acquire 200,000,000 shares issued by the Bank of Jiangsu in its non-public private placement at RMB5 per share, representing approximately 1.92% of the enlarged share capital of the Bank of Jiangsu. During the reporting period, the share capital enlargement of the Bank of Jiangsu was approved by relevant PRC authorities, and the business registration procedures were completed. Thus, the consideration of RMB1 billion was paid by the Company to the Bank of Jiangsu. For details, please refer to the external investment announcement and further announcement of the Company published on the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Stock Exchange (www.hkexnews.hk) on 14 June 2013 and 14 August 2013 respectively.

(2) Acquisition of 5% equity interest in Ninghu Investment

Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment"), established in September 2002 with a registered capital of RMB100 million, was held as to 95% and 5% by the Company and Suzhou Investment Co., Ltd. ("Suzhou Investment"), respectively. In order to facilitate the respective strategic development of Ninghu Investment and Suzhou Investment, the Company's acquisition of 5% equity interest in Ninghu Investment from Suzhou Investment proposed to transfer its 5% equity interest in Ninghu Investment to the Company was considered and approved at the 9th meeting of the seventh session of the Board held on 23 August 2013. The consideration of acquisition was RMB14,930,000 upon evaluation. On 18 December 2013, relevant filing and approval procedures at the SASAC of Jiangsu Province and business registration procedures were completed by Ninghu Investment, and therefore it became a wholly-owned subsidiary of the Company.

(3) Establishment of joint-venture LNG gas stations

In light of the prevailing green trends of energy saving and emission reduction and the prospects of natural gas as clean energy to replace automotive energy, the Company proposed to establish Jiangsu GCL Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司) ("Jiangsu GCL Gas Company") jointly with Jiangsu GCL Oil and Gas Co., Ltd. (江蘇協鑫石油天然氣有限公司) ("Jiangsu GCL Oil and Gas"), which was considered and approved at the 9th meeting of the seventh session of the Board held on 23 August 2013. The preliminary pilot plan was to set up joint-venture LNG gas stations in the services areas along Jiangsu Expressway. Jiangsu GCL Gas Company has a registered capital of RMB30 million, of which RMB15.6 million was contributed by Jiangsu GCL Oil and Gas and RMB14.4 million was contributed by the Company, representing 52% and 48% of the total share capital, respectively. The establishment of the joint venture was filed with and approved by the SASAC of Jiangsu Province while the business registration was completed on 19 January 2014. The initial investment made by the Company was approximately RMB2,880,000 in the year.

(4) Investment in establishment of equity investment fund company

In order to expand the business scope, according to the requirement of the Company's "Twelfth Five-year" Plan, the Company's subsidiary Ninghu Investment, in partnership with legal persons and natural persons including Suzhou Investment Co., Ltd. and Hongyuan Huizhi Investment Co., Ltd. (宏源匯智投資有限公司), established the Jiangsu Luode Equity Investment Fund Management Co., Ltd. ("Jiangsu Luode") by means of promotion. Jiangsu Luode has a registered capital of RMB30 million to be contributed by two installments. The first installment of RMB15 million was already received, of which RMB5,850,000 was from Ninghu Investment, representing 39% of the equity interest. Jiangsu Luode was approved on 14 May 2013 for registration with the industry and commerce authority with a business scope primarily covering issue and management of property investment fund, and its business scope includes entrusted management of private equity investment fund, investment management and relevant consulting services as well as entrusted assets management. Investment made by the Company amounted to approximately RMB5,850,000 in the year.

(5) Capital increment in Network Operation Company

As the increasingly complicated transportation network in the Jiangsu province and the rapid development of ETC construction, higher demand is required for the services provided by Network Operation Company. Given the service upgrading and corporate development, an aggregate of RMB85,000,000 of additional directional issue was made to shareholders by Network Operation Company on the basis of same rights for same shares. Each of the Company and Guangjing Xicheng Company contributed an additional capital of RMB3,080,000 according to the proportion of shareholding and continued to hold 3.62% of equity interest respectively upon completion of the capital increment.

3. *Equity Investment in Financial Enterprises*

Unit: RMB'000

Name of investee	Initial investment amount	Number of shares held	Shareholding at the end of the period	Book value at the end of the period	Effect on profit or loss during the reporting period	Effect on owners' equity during the reporting period	Accounting item	Source of shares
Jiangsu Lude	5,850	11,700,000	39%	4,519	–1,331	–1,331	Long-term equity investment	Established by means of promotion
Bank of Jiangsu	1,000,000	200,000,000	1.92%	1,000,000	0	0	Financial assets available for sale	Capital increment
Financial leasing company	234,000	234,000,000	10.66%	270,898	44,928	44,928	Financial assets available for sale	Established by means of promotion

4. *Operations of Major Subsidiaries*

Name of company	Scope of business	Investment cost	Equity of the Company	Total assets	Net assets	Net profit	Percentage over the Company's net profit	Year-on-year Increase/ decrease on net profit
		RMB' 000	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*%*
Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Construction, management, maintenance and toll collection of Guangjing Expressway and Xicheng Expressway in Jiangsu	2,125,000	85	3,887,538	3,363,384	450,092	16.22	43.25
Jiangsu Ninghu Investment Development Co., Ltd.	Investment in various infrastructure, industrial and assets investment	110,100	100	310,633	292,694	17,789	0.64	16.56
Jiangsu Ninghu Properties Co., Ltd.	Development and operation and consultancy of properties	500,000	100	2,924,630	535,653	12,679	0.46	–61.15

5. *Operations of Major Associates*

In 2013, the Group's investment income amounted to approximately RMB315,399,000, representing a year-on-year increase of 95.36%. Benefited from investment income contributed by Yanjiang Company and dividend received from finance leasing company as well as the increase in profit of associates such as Sujiahang Company and so forth, investment income of the Group increased considerably. Investment income contributed by associates, in which the Company had equity interest, amounted to approximately RMB265,462,000, representing an increase of 99.28% as compared to 2012 and accounting for 9.56% of the Group's net profit. Operating results of major companies in which the Group had equity investments are as follows:

Company name	Principal business	Investment cost	Equity interest attributable to the Company	Net profit	Share of investment income	Proportion of net profit attributable to the Company	Change over the previous year
		RMB'000	*%*	*RMB'000*	*RMB'000*	*%*	*%*
Suzhou Sujiahang Expressway Co., Ltd.	Management and operation of the Jiangsu Section of Sujiahang Expressway	526,091	33.33	275,215	91,652	3.30	35.60
Jiangsu Kuailu Motor Transport Co., Ltd.	Road transportation, automobile repair and sales of automobiles and automobile parts and components	49,900	33.2	–4,773	–3,217	—	–9.90
Jiangsu Yangtze Bridge Co., Ltd.	Mainly engaged in the management and operation of Jiangyin Yangtze Bridge	631,159	26.66	277,377	73,949	2.66	54.02
Jiangsu Yanjiang Expressway Co., Ltd.	Mainly engaged in the management and operation of Yanjiang Expressway	1,466,200	29.81	327,375	106,975	3.85	405.18

(V) Analysis of Core Competitiveness

The core business of the Group is licensed operation of transportation infrastructure. Our operations are located in one of the most energetic economic regions in the PRC — the Yangtze River Delta. The roads and bridges owned or invested by the Group are the key land transport corridor of the two important industrial belts along the Yangtze River and Shanghai-Nanjing in the southern part of Jiangsu, putting the Group in a predominant position in the expressway network in southern Jiangsu. Unique geographical advantage, quality assets network and efficient operation system are distinct core competitive edges of the Group. Despite the relative monopoly nature of licensed operation of toll highways and bridges in certain regions as the tolling right is conferred on an exclusive basis, this business segment is susceptible to policy changes. During the reporting period, free use of highways by passenger cars on festivals and holdings resulted in continuous adverse impact on the Company's principal business. Detailed discussion about the magnitude of such influence is set out in the analysis of operation environment.

(VI) Discussion and Analysis of Future Development

1. Competition Pattern and Development Trend of the Industry

◇ Macroeconomic environment

Along with the steady progress of comprehensively deepening reform, urbanization and the transformation and upgrade of the regional economy, the future macro economy is expected to develop steadily, which will facilitate a steady growth in the transportation and the traffic demand. Meanwhile, with increasing vehicle ownerships among civilians and escalating consumer spending, the demand for passenger and cargo transport on roads will continue to grow steadily, thereby driving the sustainable development of the principal business of the Group.

According to the blue book of Report on Overall Competitiveness of China's Provincial Economy in the Middle of "Twelfth Five-Year Plan Period"(《「十二五」中期中國省域經濟綜合競爭力發展報告》) issued by the Chinese Academy of Social Sciences in March 2014, the overall competitiveness of Jiangsu Province ranked the first among the 31 province-level administration regions in China. In particular, southern Jiangsu region has expedited the transformation and upgrade, which further enhanced its capacity of innovation and development, as well as the international competitiveness. In such a macro environment, as a major expressway operator serving the national economy and social development in southern Jiangsu region, the Group, with its "one core and two supports" business development strategy, will face ever more business opportunities in its efforts in transformation and upgrade and expanding the room for development, and will have a more favorable external environment.

◇ Competition pattern of the industry

In June 2013, the Ministry of Transport issued the "National Highway Network Planning (2013-2030)". According to the planning, in the future ten years, the nation will newly build 8,000 kilometers of ordinary national road, and will upgrade and rebuild 100,000 kilometers of the existing road. The newly-built expressway will be approximately 25,000 kilometers. As for the enterprises engaged in the expressway business, the new planning is expected to bring both the positive and negative impacts. As for the positive impact, a more optimized national highway network with a broader coverage and more smooth connection of road network will stimulate new traffic, which will increase the forecast of the traffic volume on the existing expressway. As for the negative impact, the traffic roads covering the same path may increase following the expansion of highways. In particular, along with the new construction and reconstruction of the national roads, the free national road network may divert the traffic on the existing expressways.

However, the regional characteristics of expressways are obvious and differences also exist in the construction of highways in different regions. From the perspective of the development environment for regional transportation, the expressway networks in the Jiangsu Province, particularly the southern Jiangsu road network, have a greater density and maturity. Therefore, there will be limited diversionary pressure from the newly constructed roads in the operating region of the Group. The railway transportation in the same region, due to its unique service functions and customer demands, complements and coordinates the development of highway transportation. Therefore, the competition pattern in respect of the business development of the Group's toll roads will remain relatively stable going forward.

◇ Trend of toll road policies

The toll road policies experienced rectification of toll roads in 2011, free use of highways by passenger cars on major festivals and holidays in 2012 and the "Regulation on the Administration of Toll Roads" (Draft for Discussion) issued in 2013, and relevant changes will be more stable, which means the political pressures will be relieved. Meanwhile, according to the newly-issued "National Highway Network Planning (2013-2030)", the toll roads will maintain the diversified investment and financing policies to attract the private funds. A mechanism will also be established to safeguard the stability of policies and the return on investment, which indicates that the toll roads will continue to be a critical component in the national transportation network, and the policy environment for the toll road industry will be clearer.

2. Development Strategies and implementation of the Company

In 2012, the Board considered and approved the "Twelfth Five-Year" development plan of the Group and started full implementation. This plan determined the "233" strategic development system, that is, implementing the three strategies of "enhancement of principal business", "business expansion" and "extension of platforms", on the two bases of boosting the infrastructure operation and management capability and investment management capability, and preliminarily setting up the distribution framework of "one core and two supports" of three sectors, thereby laying a solid foundation for mid- and long-term strategic transformation.

In order to strengthen the Company's strategic management system and prevent and address the strategic risks, the Company formulated the Strategic Management Measures of the Company (《公司戰略管理辦法》), established a normalized mechanism in which the strategy and detailed targets will be set in the beginning of the year and the strategic evaluation will be conducted in the end of the year. According to the Management Measures, the Company will make strategic adjustment timely according to the changes in the internal and external environment. On this basis, the Company issued the detailed targets set for 2013 in the strategic plan, in which it set the targets of strategic key performance indicators in 2013 and specified the departments in charge of each indicator and the supporting departments. In the end of the year, the Company analyzed the implementation of targets set in the strategic plan for the year, facilitating the development strategy of the Company in the "Twelfth Five-Year" period.

3. *Operational Plan*

◇ Revenue target

Based on the anticipation on the operating status and policy environment in 2014, the management believes that the Group's operations will face a certain amount of uncertainty. In view of this, the Group has set a target of achieving total revenue of more than RMB8,300,000,000 for 2014. Taking into account of increases in labour costs and other costs, the Group strives to incur operating costs and related costs of not more than RMB5,000,000,000 and to realize the net profit after tax of not less than RMB2,500,000,000, which is slightly lower than the target of 2013.

◇ Plans and Measures

The Group will implement the following key measures in 2014, in line with the overall business environment in 2014 so as to ensure that the profit target for the year can be achieved and that good planning preparations can be made for the future strategic development:

(1) **Advance implementation of the "Twelfth Five-Year" Plan. orderly.** The Group will conduct an interim review of the progress against the "Twelfth Five-Year" Plan in an all-round way, based on which it will pinpoint the key strategic work to be carried out in the last 2 years in the "Twelfth Five-Year" Plan and adjust the certain strategic key performance indicators if necessary. It will also refine the management and assessment mechanism for the strategy execution and press ahead with strategic distribution in a stable, robust and orderly manner.

(2) **Active efforts in the extension of the expressway industry chain.** The Group will pay active attention to the changes of toll road-related policies, and prepare countermeasures in respect of the relevant risks. In addition, the Group will continuously pay close attention to and study the investment opportunities in respect of expressways and other transportation infrastructure, fully utilize the existing expressway resources, and make due experiments and explorations on the extension of industry chain. It will expedite the reform of service areas operation through innovating the business model and exploring the potential in operation.

(3) **Balanced development of diversified business steadily.** Leveraging the advantages of resources and capital of the Company, the Group will study and seek equity investment projects and proper business cooperation opportunities from different channels. It will also expedite the development and sales of real estate projects. In grasping the trend of the market, the Group will increase land reserves and seek opportunities in investing in the commercial properties, so as to expand the business. It will promote the issuance of real estate fund and the development of project management, in a bid to explore the successful operational model. The Group aspires to achieve the comprehensive and balanced development of the diversified businesses and relevant contributions to the results.

(4) **Advance the development and integration of informatization.** The Group will evaluate and refine the platform of informatization developed in 2013 to ensure each system on the platform operates orderly and safely and generate efficiencies continuously. The Group will integrate the management procedures and business demand to interconnect the information and achieve resources sharing, so as to improve its service abilities. The Group will use the informatization measures to provide value-added services for the roads transportation, demonstrating the achievements of modernization in the management of expressways operations.

(5) **Strengthen the talents building and the reform of remuneration system.** According to the requirements of the human resources management in the "Twelfth Five-Year Plan", the Group will strengthen the building of talents and relevant rules. It will accelerate the design of wage band system and evaluation of competency benchmark for positions, with a view to constructing multi-paths in management, technology or skills for the employees and make substantial advances in such perspective.

(6) **Actively work on financing innovations to meet funding need.** The Group will use derivatives of modern finance to innovate financing means. In seeking more convenient financing channels and low-cost financing products, the Group will expand its financing channels and increase the share of direct financing. On the premise of safeguarding the financial safety, the Group will further refine the debt structure and control the funds cost reasonably to secure adequate funding for the Group's strategic development.

4. Capital Expenditure and Financing Plan

According to the business development plan of the Group, in 2014, the total planned capital expenditure of the Group will be approximately RMB1,160 million and major capital expenditure items include:

Capital expenditure item	*RMB'00 million*
Construction of facilities, equipment and systems for monitoring, toll collection, communication, and lighting	3.7
Reconstruction of buildings	2.2
Investment in construction of Sujiayong Expressway	2
Investment in construction of Zhenjiang-Danyang Expressway	3
Other fixed assets and equipment	0.7
Total	11.6

According to the capital expenditure plan and debt roll-over capital needs for 2014, the Group, while fully leveraging its own capital, will actively seek more convenient financing channels and lower-cost financing products, and raise funds by way of direct financing such as issuing short-term commercial papers, to reduce finance costs and resolve capital supply and demand conflicts. The financing in the 2014 plan of the Group includes short-term bonds in the amount of not more than RMB2 billion, non-public direct debt financing instruments in the amount of not more than RMB2 billion and ultra-short-term financing products. The financing amount will be sufficient for the capital expenditure, debt roll-over and business development of the Group. In case of other capital expenditure demands on special occasions, the Group will adjust its financing plan based on the expenditure scale and actual cash flow condition.

5. Possible Risks

As a listed company in the transportation infrastructure sector primarily engaged in the investment, construction, operation and management of toll roads and bridges, the Company has established the risk management system, involving the Company's strategy, planning, operation, decision-making and other aspects, in a bid to ensure achievement of its operational target and sustained and healthy development in the future. Amid its future strategic development, the Company will pay keen attention to the following risks and proactively take effective countermeasures:

(1) Risks associated with the macroeconomic environment

Risk analysis: The changes in the macro economy directly affect the demand of road transportation, thus influencing the changes in the traffic volume and the operating results of the Group.

Countermeasures: By analyzing the current economic condition and control objective, the Company will evaluate the impact of the macroeconomic trend on road transportation demands, analyze the economic development level surrounding road networks, traffic volume of road networks and the characteristics of changes in vehicle mix on a regular basis, and through timely analysis and countermeasures, strive to reduce the adverse impact of economic conditions on the Company's operation.

(2) Risks associated with industry policy changes

Risk analysis: The transportation infrastructure industry, with a pseudo-public nature, has always been strictly regulated by the government, so changes in the government's industry policies have a certain impact on toll road enterprises. Currently, the public welfare property of toll roads is increasingly strengthened, and the toll-free "green passage" policy and toll-free policies for major festivals and holidays will be further improved. There is still uncertainty as to the promulgation and implementation of Regulation on the Administration of Toll Roads.

Countermeasures: The Company will take active measures to tackle changes in industry policies, and, while setting toll-free green passages at all toll stations, boost the sense of responsibility and inspection skills of front-line toll collectors, and step up inspection over vehicles enjoying preferential tolls for using green passages. During toll-free periods on major festivals and holidays, the Company will establish and implement the mechanism concerning diversion and emergency response during peak traffic period, with a view to facilitating the traffic flows and decreasing the loss in income, as well as ensuring the smooth and safe traffic flows during the festivals and holidays and peak hours, and at the same time, analyze and study relevant industry policy adjustments, actively communicate with competent authorities to express the expectations of the Company and investors and propose reasonable working plans, endeavoring to safeguard the interest of the Company.

(3) Risks associated with alternative means of transportation and traffic diversion of road networks

Risk analysis: With the rapid progress in construction of railway networks in the PRC, the construction of high speed railways has raised the passenger and cargo transport capability of railways, which poses a potential competition risk to road transportation. As far as the Yangtze River delta region (where the Company is located) is concerned, all the prefecture-level cities in Jiangsu, Shanghai and Zhejiang will meet the conditions to run CRH trains by the end of 2015. The arrival of a new transportation model will bring new competition pressure on the Company's road operation in the future. On the other hand, the expressway network is being further expanded and improved, with parallel and alternative lines continuously added, traffic diversion of road networks will generate negative impact on the growth of toll revenues of the Company.

Countermeasures: As regards the risks associated with alternative means of transportation and traffic diversion of road networks, the Company will actively communicate with the government and its peers in the sector, keep informed of road network plans and project construction status, and conduct special analysis on traffic diversion of road networks in advance. Meanwhile, the Company will preliminarily set up a modernization indicators system on the operation and management of Shanghai-Nanjing Expressway, realize quality facilities, safeness and smoothness, quality service, energy conservation and environment protection by means of informatization, devotedly build "caring", "smooth" and "smart" expressways, and enhance its leading position and competitiveness in road networks.

(4) Risks associated with expiry of franchise rights

Risk analysis: Toll road assets, due to its franchise mode, are of a relative monopoly nature, but franchise rights are subject to certain limits on toll collection terms, upon maturity of which, road-operating enterprises face serious challenges in respect of sustained development.

Countermeasures: In response to the need for sustained development upon maturity of toll collection terms, the Company has formulated the "Twelfth Five-Year" development plan, aiming for long-term development. The Company has preliminarily set up the distribution framework of "one core and two supports" three sectors, and will try to diversify the industry and policy risks through a diversified business, gradually increase the percentage of non-principal business in its revenues and profit, curb over-dependence on the principal business of toll roads, and gradually achieve upgrade of industrial structure and sustained development.

(5) Financial risks

Risk analysis: The toll road industry has such characteristics as high capital investment and long cycle for investment return, the gradual increase in depreciation, amortization, toll collection, maintenance and labour costs as well as changes in the market interest rates has a direct impact on the profitability of operating enterprises. Meanwhile, due to complicated and changing policies and market environments, direct financing in the capital market still involves certain risk relating to issuance.

Countermeasures: By implementing all-round budget management, the Company will strictly control expenditure of all costs, boost capital utilization efficiency and prevent the capital turnover risk through continuously optimizing the debt structure, recognize risks and make pertinent adjustment to the financing strategy through a timely grasp of the changes in the credit policy and the market environment, optimize debt structure, reduce finance costs and resolve capital supply and demand conflicts.

(6) Risks associated with business expansion

Risk analysis: Based on its development strategy, the Company will proactively promote the distribution of "one core and two supports" three sectors. Due to relatively large difference between new business and the toll road business, failure to adapt to the new types of business in respect of market savvy, management model and human resources might affect the expansion of new business and thus bring risks to the overall development of the Group.

Countermeasures: As for the above risks, the Company, according to the external objective environment and its own actual conditions, will comprehensively consider the uniqueness of the industry and its merits and demerits, and formulate varied investment tactics and control models for different business sectors. Meanwhile, the Company will gradually adjust the organization structure and reform the management mechanism based on its strategic development need, vigorously establish strategy-oriented human resource planning, step up control over strategy implementation, build a professional management team and effectively control risks associated with business expansion.

(VII) 2013 Profit Distribution Scheme

In 2013, the Group realized an audited net profit attributable to the shareholders of the Company of approximately RMB2,707,743,000 and earnings per share of approximately RMB0.538. Based on the total share capital of the Company of 5,037,747,500 shares, the Board of the Company has proposed to pay cash dividends of RMB0.38 per share (tax inclusive) to all shareholders. The aforementioned profit distribution scheme proposed by the Board will be submitted for consideration and approval at the 2013 annual general meeting. The exact date and procedures for the payment of final dividends will be announced separately.

IV. MATTERS RELATING TO FINANCIAL REPORT

4.1 There are certain changes in the accounting policy and accounting estimates in the reporting period and detailed reasons and effects thereof are set out below, while there is no change in other auditing method of the Company.

1. Changes in Accounting Policy

The Group has early applied the following new and revised Accounting Standards for Business Enterprises ("**ASBE**") that have been issued by MOF from January to March 2014 in the financial statements: Amendment to ASBE No.2-Long-term equity investment, Amendment to ASBE No.9-Employee benefits, Amendment to ASBE No.30-Presentation of financial statements, ASBE No.39-Fair value measurement, ASBE No.40-Joint arrangements and Amendment to ASBE No.33-Consolidated financial statements.

According to the amendment to ASBE No. 2-Long-term equity investments, long-term equity investments no longer include the investment which has no joint control or great influence over the investee, no quoted price in an active market and the fair value of which cannot be measured reliably. Meanwhile, the revised standard clarify the calculating method of cost method and equity method, as well as the accounting treatments on the following special situations: when the investor can exert control, joint control or significant influence over the investee because of reasons such as increasing investments; when the investor lose control, joint control or significant influence over the investee because of reasons such as partial disposal of equity investments; and when classifying the equity investments of associates or joint ventures into assets held for sale entirely or partially. In accordance with the above amendment, the management classifies the investments of the Group which has no joint control or significant influence over the investee, no quoted price in an active market and the fair value of which cannot be measured reliably into available-for-sale financial assets, and the retroactive adjustments of the reclassification are conducted accordingly. The adoption of this standard has no significant impact on the financial statements of the Group according to the management of Company.

According to the management of the Company, the adoption of other accounting policy amendments in relation to Amendment to ASBE No.9-Employee benefits, Amendment to ASBE No.30-Presentation of financial statements, ASBE No.39-Fair value measurement, ASBE No.40-Joint arrangements and Amendment to ASBE No.33-Consolidated financial statements has no significant impact on the financial statements of the Group. The financial statements have made presentations and disclosures according to above standards. On 17 January 2014, the Ministry of Finance issued the "Interpretation No.6 to the Accounting Standards for Enterprises" (the "Interpretation"), which took effect upon publication. According to the management of the Company, the employment of the Interpretation has no significant impact on the financial position and operating results of the Group.

2. *Changes in Accounting Estimates*

According to the accounting policy of the Company's concession intangible asset, the concession intangible asset is amortized based on the proportion of cost and carrying value of the predicted aggregate standard traffic volume on each toll road during the operating period and concession intangible asset of toll roads to calculate the amortization per standard traffic volume ("unit amortization"), then the amortisation of concession intangible asset is calculated in accordance with the actual standard traffic volume and unit amortisation in each accounting period. Pursuant to the relevant regulations of the corporate accounting system, the Group will appoint an independent professional traffic consultant to study on the future traffic volume level when material difference exists between the predicted aggregate standard traffic volume and the actual traffic volume during the operation period, which is principally a difference of 20% (inclusive) between the predicted volume and the actual volume for 3 years in succession, and then adjust the amortisation unit in the subsequent year/period according to the revised predicted aggregate standard traffic volume, to ensure that the relative concession intangible assets can be fully amortised when the amortization period expires.

Based on the examination results of the traffic volume of each major toll road of the Group, material differences appeared in five roads, namely Jiangsu Section of Shanghai-Nanjing Expressway, Guangjing Expressway, Xicheng Expressway, Huning Section of G312 and Nanjing Section of Nanjing-Lianyungang Highway. In view of a long time interval between the previous prediction and the examination for the above roads, gradual optimisation of surrounding road networks and the differences of traffic volume tending to be stable, independent professional traffic consultant appointed by the Company completed a revised prediction on traffic volume of above roads for future operating periods and issued a report. The Company adjusted unit amortisation of concession intangible asset of above five roads since 1 October 2013, based on the revised predicted aggregate standard traffic volume for the future operating period. Such adjustment is changes in accounting estimates, which will be applied prospectively without retrospective adjustment.

The major influence of the changes in accounting estimates on the financial statement of the Group for the year 2013 and the items in the accounting statements of the Group for the year 2013 is as follows:

RMB'000

Influence in the items in the accounting statements	**Consolidated financial statement**	**Financial statement of the Company**
Decrease in intangible assets	15,029	18,209
Increase in operating costs	15,029	18,209
Decrease in tax payable	3,757	4,552
Decrease in income tax	3,757	4,552
Increase in the minority interests	358	0
Increase in the profit or loss attributable to minority interests	358	0
Decrease in the net profit attributable to the Company	11,630	13,657
Decrease in the net assets attributable to the Company	11,630	13,657

The changes in accounting estimates will influence the distribution of amortization of the franchise rights of the toll roads, the intangible assets of the Group in the future period to a certain extent, but in general it does not exert material influence to the financial status and operating results of the Group.

4.2 There is no correction to previous accounting error for the Company in the reporting period. Pursuant to the Amendment to ASBE No. 2 - Long-term equity investment, the investment of the Group which is not jointly controlled with or which doesn't exert major influence over the investee, or doesn't have a quoted price in an active market and whose fair value cannot be reliably measured has been classified to available-for-sale financial assets from long term equity investment, and has been retrospectively adjusted.

Items	Before adjustment		After adjustment	
	Balance at the end of the year	Balance at the beginning of the year	Balance at the end of the year	Balance at the beginning of the year
Available-for-sale financial assets	1,000,000,000	0	1,290,725,956	284,565,956
Long term equity investment	4,078,085,887	3,777,367,323	3,787,359,931	3,492,801,367

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

4.4 Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued an auditors' report with standard unqualified opinion for the financial report of the Company for the year.

V. OTHER MATTERS

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

During the Reporting Period, there was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries; nor was there any person who has exercised the conversion rights or subscription rights over convertible securities, options, warrants or other similar rights issued or granted by the Company or any of its subsidiaries at any time.

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

According to public information and as far as the Directors are aware, the Board is of the view that the public float of the Company's shares as at the latest practicable date prior to the printing of this announcement complies with the requirements of the Hong Kong Listing Rules.

4. Model code for securities transactions by Directors

Having made enquiries from all the Directors and supervisors of the Company, the Directors of the Company have 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.

5. Corporate Governance Code

As at the publishing date of this announcement, the Board has reviewed the daily governance behavior in compliance with the Corporate Governance Code, and is of the view that the Company has fully adopted all provisions in the Corporate Governance Code and strived to fulfil the recommended best practices and no material deviation or breach of the provisions of the Corporate Governance Code was found.

6. Audit Committee

The Audit Committee of the Company has reviewed and confirmed, that the annual report and its summary, and the relevant financial information for the year ended 31 December 2013 are prepared under the PRC Accounting Standards for Business Enterprises, in respect of which Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued an auditors' report with standard unqualified opinion.

7. There was no important event affecting the Company and its subsidiaries which has occurred since the end of the 2013 financial year to the date of disclosure of this announcement.

VI. FINANCIAL STATEMENTS (PREPARED UNDER PRC ACCOUNTING STANDARDS)

Consolidated Balance Sheet

As at 31 December 2013

Unit: RMB

Item	Closing balance	Opening balance (Restated)
Current Assets:		
Cash and bank balances	**409,176,746**	686,484,787
Held-for-trading financial assets	**20,175,395**	18,065,458
Notes receivable	**149,843**	0
Accountants receivable	**51,443,626**	83,407,096
Prepayments	**21,028,742**	17,516,960
Dividends receivable	**4,989,960**	4,989,960
Interest receivable	**0**	192,500
Other receivables	**1,227,304,888**	1,156,828,707
Inventories	**2,844,577,736**	1,945,199,470
Other current assets	**175,082,464**	327,026,166
Total Current Assets	**4,753,929,400**	4,239,711,104
Non-current Assets:		
Available-for-sale financial assets	**1,290,725,956**	284,565,956
Long-term equity investment	**3,787,359,931**	3,492,801,367
Investment properties	**35,415,146**	22,726,914
Fixed assets	**1,099,548,420**	1,128,317,600
Construction in progress	**127,708,416**	30,794,305
Intangible assets	**15,721,750,642**	16,637,621,860
Long-term prepaid expenses	**1,166,864**	519,565
Deferred tax assets	**16,307,595**	12,198,968
Total Non-current Assets	**22,079,982,970**	21,609,546,535
TOTAL ASSETS	**26,833,912,370**	25,849,257,639

Item	Closing balance	Opening balance (Restated)
Current Liabilities:		
Short-term borrowings	**3,220,000,000**	2,550,000,000
Accounts payable	**371,663,489**	348,951,084
Receipts in advance	**412,906,626**	107,873,796
Employee benefits payable	**902,085**	2,331,953
Taxes payable	**155,966,927**	230,006,346
Interest payable	**71,283,765**	56,575,256
Dividends payable	**62,903,610**	122,614,536
Other payables	**174,955,870**	124,029,852
Non-current liabilities due within one year	**1,510,574**	1,201,557,302
Other current liabilities	**1,000,000,000**	1,000,000,000
Total Current Liabilities	**5,472,092,946**	5,743,940,125
Non-current Liabilities:		
Long-term borrowings	**271,148,039**	453,359,529
Deferred tax liabilities	**1,369,249**	0
Bonds payable	**991,074,397**	496,482,241
Total Non-current Liabilities	**1,263,591,685**	949,841,770
TOTAL LIABILITIES	**6,735,684,631**	6,693,781,895

Item	Closing balance	Opening balance (Restated)
Shareholders' Equity:		
Share capital	**5,037,747,500**	5,037,747,500
Capital reserve	**7,579,412,509**	7,565,944,367
Surplus reserve	**2,833,298,081**	2,550,126,797
Retained profits	**4,146,025,799**	3,535,043,036
Total shareholders 'equity attributable to equity holders of the Company	**19,596,483,889**	18,688,861,700
Minority interests	**501,743,850**	466,614,044
TOTAL SHAREHOLDERS' EQUITY	**20,098,227,739**	19,155,475,744
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**26,833,912,370**	25,849,257,639

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 year ended 31 December 2013

Unit: RMB

Item		**Amount for the current year**	Amount for the prior year
I.	**Total operating income**	**7,614,226,717**	7,795,942,681
	Including: Operating income	**7,614,226,717**	7,795,942,681
	Total operating costs	**4,374,573,648**	4,782,951,793
	Including: Operating costs	**3,694,143,781**	4,054,626,690
	Business taxes and levies	**202,171,162**	209,354,642
	Selling expenses	**9,832,355**	8,525,073
	Administrative expenses	**176,140,246**	177,535,368
	Financial expenses	**292,786,104**	333,410,020
	Impairment losses of assets	**–500,000**	–500,000
	Add: Gains from changes in fair values	**2,109,937**	–1,011,970
	Investment income (Loss is indicated by "—")	**315,399,461**	161,448,206
	Including: Income from investments in associates and joint ventures	**265,462,186**	133,212,868
II.	**Operating profit**	**3,557,162,467**	3,173,427,124
	Add: Non-operating income	**102,541,001**	10,127,498
	Less: Non-operating expenses	**32,206,354**	37,864,698
	Including: Losses from disposal of non-current assets	**9,048,053**	16,732,459
III.	**Total profit**	**3,627,497,114**	3,145,689,924
	Less: Income tax expenses	**851,870,234**	764,453,843
IV.	**Net profit**	**2,775,626,880**	2,381,236,081
	Net profit attributable to owners of the Company	**2,707,743,147**	2,333,344,558
	Profit or loss attributable to minority interests	**67,883,733**	47,891,523
V.	**Earnings per share:**		
	(I) Basic earnings per share	**0.5375**	0.4632
	(II) Diluted earnings per share	**N/A**	N/A

Item	**Amount for the current year**	Amount for the prior year
VI. Other comprehensive income	**14,452,952**	24,416,693
Items that may be reclassified subsequently to profit or loss:	**14,452,952**	24,416,693
Items that will not be reclassified to profit or loss:	**0**	0
VII. Total comprehensive income	**2,790,079,832**	2,405,652,774
Total comprehensive income attributable to owners of the Company	**2,722,196,099**	2,357,761,251
Total comprehensive income attributable to minority interests	**67,883,733**	47,891,523

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

VII. EXCERPTS OF NOTES TO THE FINANCIAL STATEMENTS:

1. Operating income and operating costs

(1) Operating income

Unit: RMB

Item	Amount recognized in the current year		Amount recognized in the prior year	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	**7,495,067,780**	**3,648,835,094**	7,449,454,069	3,815,878,975
Including:				
Shanghai-Nanjing Expressway	**4,521,752,601**	**1,085,364,846**	4,291,575,932	1,023,712,916
312 National Highway	**53,434,572**	**200,674,284**	83,829,554	222,006,136
Guangjing Xicheng Expressway	**733,053,058**	**244,875,293**	683,080,003	246,546,155
Nanjing-Lianyungang Highway	**36,689,037**	**18,031,586**	33,536,822	16,567,614
Ancillary services	**2,150,138,512**	**2,099,889,085**	2,357,431,758	2,307,046,154
Real estate development	**75,200,074**	**29,507,771**	304,442,035	223,570,585
Advertising and others	**43,958,863**	**15,800,916**	42,046,577	15,177,130
Total	**7,614,226,717**	**3,694,143,781**	7,795,942,681	4,054,626,690

(2) Principal operating activities (classified by geographical areas): The principal operation activities of the Group are held in Jiangsu Province.

(3) Operating income from the Company's top five customers: the operating income principally include the toll road income, ancillary services, advertisement and real estate business. The Group is unable to present top five customers because of the nature of the business.

2. Income tax expense

Unit: RMB

Item	**Amount incurred in current year**	Amount incurred in prior year
Current tax expense calculated according to tax laws and relevant requirements — PRC	**847,645,369**	769,955,478
Adjustments to deferred tax	**–2,739,378**	–3,809,515
Less (Over) provision of prior years' tax	**6,964,243**	–1,692,120
Total	**851,870,234**	764,453,843

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

Reconciliation of income tax expenses to the accounting profit is as follows:

Unit: RMB

	Amount incurred in current year	Amount incurred in prior year
Accounting profit	**3,627,497,114**	3,145,689,924
Income tax expenses calculated at 25% (prior year: 25%)	**906,874,278**	786,422,481
Effect of expenses that are not deductible for tax purposes	**12,265,538**	15,975,381
Effect of tax-free income	**–74,233,825**	–36,251,899
Less (Over) provision of prior years' tax	**6,964,243**	–1,692,120
Total	**851,870,234**	764,453,843

3. Net Profit for the year has been arrived at after charging:

Unit: RMB

Item	**Amount incurred in the current year**	Amount incurred in the prior year
Staff costs (Include: directors' emoluments)	**462,856,329**	421,905,866
Retirement benefits scheme contributions	**68,920,417**	62,053,025
Total staff costs	**531,776,746**	483,958,891
Audit fee	**2,780,000**	3,020,000
Depreciation and amortization (Included in operating costs and administrative expenses)	**901,619,161**	913,419,899
Losses on disposal of non-current assets	**–81,162,042**	15,674,713
Amortization of land use rights (Included in operating costs and administrative expenses)	**63,532,964**	65,074,303
Cost of inventories recognised as an expense	**1,950,222,413**	2,375,112,085

4. Breakdown of non-recurring profit or loss

Unit: RMB

Item	Amount
Net profit	2,775,626,880
Add (less): non-recurring items	
— Losses (gains) on disposal of non-current assets	–81,162,042
— Government grants	–600,000
— Profit on disposal of held-for-trading financial investments	0
— Profit on disposal of available-for-sale financial assets	–5,009,275
— Loss (gain) on changes in the fair value	–2,109,937
— Reversal of provision for accounts receivable which were tested for impairment losses individually	–500,000
— Other net non-operating income or expenses other than the above	11,427,395
Subtotal	–77,953,859
Income tax effect of non-recurring items	18,835,980
Net profit after non-recurring profit or loss	2,716,509,001
Including: attributable to owners of the Company	2,648,402,925
attributable to minority interests	68,106,076

5. Calculation process of basic earnings per share and diluted earnings per share

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

Unit: RMB

	Amount for the current year	Amount for the prior year
Net profit for the current year attributable to ordinary shareholders	**2,707,743,147**	2,333,344,558
Including: Net profit from continuing operations	**2,707,743,147**	2,333,344,558
Net profit from discontinued operations	**0**	0

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

Unit: RMB

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

(3) Earnings per share

Unit: RMB

	Amount for the current year	Amount for the prior year
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.5375**	0.4632
Diluted earnings per share	**N/A**	N/A
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.5375**	0.4632
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	**N/A**	N/A
Diluted earnings per share	**N/A**	N/A

6. Dividends

Cash dividends approved in shareholders' meeting during the year: In 2013, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share), dividends in cash of RMB0.36 per share were distributed to all the shareholders.

Profit distribution decided after the balance sheet date: According to a proposal of the board of directors on 21 March 2014, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share) in 2014, cash dividends of RMB0.38 per share will be distributed to all the shareholders. The above proposal regarding dividends distribution is yet to be approved in a shareholders' meeting.

7. Current assets and current liabilities

7.1 Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit: RMB

	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
Category	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	**29,516,460**	**57**	**0**	**0**	53,745,907	64	0	0
Accounts receivable for which bad debt provision has been assessed by portfolios	**21,927,166**	**43**	**0**	**0**	29,661,189	36	0	0
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	**0**	**0**	**0**	**0**	0	0	0	0
Total	**51,443,626**	**100**	**0**	**0**	83,407,096	100	0	0

Majority toll road and Ancillary Services income are settled by cash, others are settled by receipt in advance. The accounts receivable mainly represent the receivables due from other toll operation companies by toll network internal income reallocation.

Explanations of categories of accounts receivable: An accounts receivable that exceeds RMB2,500,000 is deemed as an individually significant receivable by the Group.

An accounts receivable that exceeds RMB2,500,000 is deemed as an individually significant receivable by the Group.

(2) *Aging analysis of accounts receivables is as follows:*

Unit: RMB

Aging	**Closing balance**				Opening balance			
	Amount	**Proportion** *(%)*	**Bad debt provision**	**Carrying amount**	Amount	Proportion *(%)*	Bad debt provision	Carrying amount
Within 1 year	**51,443,626**	**100**	**0**	**51,443,626**	83,407,096	100	0	83,407,096
More than 1 year but not exceed 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	**0**	**0**	**0**	**0**	0	0	0	0
Total	**51,443,626**	**100**	**0**	**51,443,626**	83,407,096	100	0	83,407,096

7.2. Other receivables

(1) Disclosure of accounts receivable by categories:

Unit: RMB

	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
Category	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision has been assessed individually	**1,233,172,551**	**99**	**15,812,140**	**98**	1,159,892,978	99	16,312,140	98
Other receivable for which bad debt provision has been assessed by portfolios	**10,327,406**	**1**	**382,929**	**2**	13,630,798	1	382,929	2
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	**0**	**0**	**0**	**0**	0	0	0	0
Total	**1,243,499,957**	**100**	**16,195,069**	**100**	1,173,523,776	100	16,695,069	100

Nature or content of significant other receivables

On 6 July 2012, the Company received the "Notice from the Office of Jiangsu Provincial Government in respect of the removal or relocation of certain toll stations and related issues" (Suzhengban Fa [2012] No. 126) (the "Notice") issued by the Office of the Jiangsu Provincial Government. According to the Notice, the Company removed Nanjing Toll Station, Luoshe Toll Station (including Yanqiao Toll Station) and Xilin Toll Station that along the 312 National Highway (the "312 Toll Stations"). Jiangsu Provincial Government issued "Approval on compensation for removal of the 312 Toll Stations" (Suzheng Fu [2012] No. 115) on 31 December 2013 and committed to compensate for the loss incurred. The compensation was agreed to the net book value of related removed toll road operation rights. As a result, the Company recognized compensation receivables from Jiangsu Provincial Government at RMB1,124,177,798, and the relevant net book value of removed toll road operation rights is RMB1,124,177,798. By the end of the year, the Company has not received the amount.

In order to speed up the urbanization construction, Zhenjiang Government spent RMB210,084,100 acquiring Ninghu Expressway (Jiangsu section) Zhenjiang branch ("Zhenjiang branch") in the current year. Zhenjiang Government signed the acquisition with the Company which included "Shanghai-Nanjing Expressway (Jiangsu section) Zhenjiang branch transfer contract" and "Shanghai-Nanjing Expressway (Jiangsu section) Zhenjiang branch transfer contract payment agreement. The Company completed the updating of the toll networking system of Zhenjiang branch by 30 June 2013, which marks the completion of the disposal of Zhenjiang branch. By the end of the current year, there is still RMB84,033,640 which has not been received yet.

By the date of signing the financial statements, the management of the company is holding a positive communication with sorts of parties to facilitate an early collection of the receivables.

(2) *Aging analysis of other receivables is as follows:*

Unit: RMB

Aging	Closing balance				Opening balance			
	Amount	**Proportion**	**Bad debt provision**	**Carrying amount**	Amount	Proportion	Bad debt provision	Carrying amount
		(%)				(%)		
Within 1 year	**97,815,540**	**8**	**371,300**	**97,444,240**	1,139,454,968	97	367,413	1,139,087,555
More than 1 year but not exceed 2 years	**1,124,652,998**	**90**	**0**	**1,124,652,998**	669,231	0	1,901	667,330
More than 2 years but not exceed 3 years	**157,650**	**0**	**0**	**157,650**	58,097	0	162	57,935
More than 3 years	**20,873,769**	**2**	**15,823,769**	**5,050,000**	33,341,480	3	16,325,593	17,015,887
Total	**1,243,499,957**	**100**	**16,195,069**	**1,227,304,888**	1,173,523,776	100	16,695,069	1,156,828,707

7.3 *Prepayments*

(1) *Aging analysis of prepayments is as follows*

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	**Proportion**	Amount	Proportion
		(%)		(%)
Within 1 year	**16,157,355**	**77**	17,396,960	99
1-2 year	**4,871,387**	**23**	120,000	1
Total	**21,028,742**	**100**	17,516,960	100

(2) Disclosure of prepayments by client categories is as follows:

Unit: RMB

Category	**Closing balance**	Opening balance
Individually significant prepayments	**15,457,678**	12,420,633
Other insignificant prepayments	**5,571,064**	5,096,327
Total	**21,028,742**	17,516,960

7.4. Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	**Closing balance**	Opening balance
Construction payable	**34,500,404**	65,990,419
Construction payable for real estate project	**291,549,972**	225,753,070
Toll road fee payable	**19,486,421**	31,565,977
Daily purchase payable for service zones	**23,444,457**	24,828,975
Others	**2,682,235**	812,643
Total	**371,663,489**	348,951,084

Description of significant accounts payable aged more than one year:

As at 31 December 2013, the accounts payable aged over 1 year of the group mainly represents the construction payable amounting to RMB34,500,404 and the construction payable for real estate amounting to RMB83,168,460. The amount keeps unpaid because the construction settlement procedure is long.

(2) Aging analysis of accounts payable is as follows:

Unit: RMB

Item	**Closing balance**	Opening balance
Within 1 year	**253,944,705**	220,837,365
1-2 years	**56,854,497**	62,123,300
2-3 years	**26,363,883**	0
Over 3 years	**34,500,404**	65,990,419
Total	**371,663,489**	348,951,084

7.5. *Receipts in advance*

(1) *Details of receipts in advance are as follows:*

Unit: RMB

Item	**Closing balance**	Opening balance
Rental deposit received in advance	**4,274,926**	4,209,489
Advertising service fee received in advance	**11,598,617**	14,121,798
Income from properties for sales received in advance	**396,937,132**	47,445,689
Receipts in advance from transfer of Zhenjiang branch	**0**	42,016,820
Others	**95,951**	80,000
Total	**412,906,626**	107,873,796

(2) The aging analysis of receipts in advance is as follows:

Unit: RMB

Aging	**Closing balance**		Opening balance	
	RMB	*%*	*RMB*	*%*
Within 1 year	**412,826,626**	**100**	85,400,336	79
1-2 year	**0**	**0**	22,393,460	21
2-3 years	**0**	**0**	0	0
Over 3 years	**80,000**	**0**	80,000	0
Total	**412,906,626**	**100**	107,873,796	100

Details of receipts in advance for real estate advance sale are as follows:

Unit: RMB

Project name	**Opening balance**	Closing balance	**Completion date**	**Proportion of advance sale**
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	**47,165,689**	3,796,431	August 2012	95
Huaqiao Urban Core B4 Guangmingjiezuo Project	**0**	244,061,647	April 2015	97
Baohua Hongyan Community B1 Tongchengshijia Project	**0**	149,079,054	April 2014	53
Kunshan Huijie Yayuan project	**280,000**	0	April 2009	100
Total	**47,445,689**	396,937,132		

7.6 Other payables

(1) 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	**117,688,410**	69,595,877
Others	**47,267,460**	44,433,975
Total	**174,955,870**	124,029,852

(2) Description of significant other payables aged more than one year:

As at 31 December 2013, other payables aged more than one year mainly include 312 toll road operation right acquisition costs payable.

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

	Closing balance	Opening balance
Current assets	**4,753,929,400**	4,239,711,104
Total assets	**26,833,912,370**	25,849,257,639
Less: current liabilities	**5,472,092,946**	5,743,940,125
Net current liabilities (note)	**–718,163,546**	–1,504,229,021
Total assets less current liabilities	**21,361,819,424**	20,105,317,514

Note: The Group closely monitors its cash position from its operation and the directors consider that the Group has sufficient liquid assets generated from its operations and sufficient available undrawn borrowing facilities at 31 December 2013 of approximately RMB6,600,000,000 (31 December 2012: borrowing facilities: RMB5,450,000,000) to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, although the Group had net current liabilities of RMB718,163,546 (31 December 2012: RMB1,504,229,021) at the end of the reporting period, the Group has well managed the liquidity risk.

9. Segment

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 7 reporting 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, Real estate development and Advertising and others. 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.

Ancillary services include petrol, food and beverage and retail service in service zone along the expressways.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(1) Segment information

Unit: RMB

	Shanghai-Nanjing Expressway		312 National Highway		Nanjing-Lianyungang Highway		Guangjing Xicheng Expressway		Ancillary services		Real estate development		Advertising and others		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	Current year	Prior year
Operating income	4,521,752,601	4,291,575,932	53,434,572	83,829,554	36,689,037	33,536,822	733,053,058	683,080,003	2,150,138,512	2,357,431,758	75,200,074	304,442,035	43,958,863	42,046,577	0	0	7,614,226,717	7,795,942,681
Operating costs	1,085,364,846	1,023,712,916	200,674,284	222,006,136	18,031,586	16,567,614	244,875,293	246,546,155	2,099,889,085	2,307,046,154	29,507,771	223,570,585	15,800,916	15,177,130	0	0	3,694,143,781	4,054,626,690
Including: Amortization of toll roads operation rights	505,428,880	492,957,307	98,437,410	111,107,703	11,787,675	10,866,354	115,364,098	131,846,391	0	0	0	0	0	0	0	0	731,018,063	746,777,755
Costs of petrol and other goods sold in service zones	0	0	0	0	0	0	0	0	1,947,629,330	2,153,083,048	0	0	0	0	0	0	1,947,629,330	2,153,083,048
Segment operating profit (loss)	3,436,387,755	3,267,863,016	–147,239,712	–138,176,582	18,657,451	16,969,208	488,177,765	436,533,848	50,249,427	50,385,604	45,692,303	80,871,450	28,157,947	26,869,447	0	0	3,920,082,936	3,741,315,991
Reconciling items:																		
Business taxes and levies	151,930,887	144,196,951	2,992,336	4,694,455	1,232,752	1,126,837	24,630,583	22,951,488	12,454,538	10,517,871	7,448,309	22,859,931	1,481,757	3,007,109	0	0	202,171,162	209,354,642
Selling expenses	0	0	0	0	0	0	0	0	0	0	9,257,966	8,029,546	574,389	495,527	0	0	9,832,355	8,525,073
Administrative expenses	61,821,636	63,362,975	0	0	0	0	0	0	0	0	0	0	0	0	114,318,610	114,172,393	176,140,246	177,535,368
Financial expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	292,786,104	333,410,020	292,786,104	333,410,020
Impairment loss of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	–500,000	–500,000	–500,000	–500,000
Gains from changes in fair values	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,109,937	–1,011,970	2,109,937	–1,011,970
Investment income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	315,399,461	161,448,206	315,399,461	161,448,206
Operating profit	3,222,635,232	3,060,303,090	–150,232,048	–142,871,037	17,424,699	15,842,371	463,547,182	413,582,360	37,794,889	39,867,733	28,986,028	49,981,973	26,101,801	23,366,811	–89,095,316	–286,646,177	3,557,162,467	3,173,427,124
Non-operating income	88,763,909	0	0	0	0	0	0	0	0	0	0	0	0	0	13,777,092	10,127,498	102,541,001	10,127,498
Non-operating expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,206,354	37,864,698	32,206,354	37,864,698
Total profit	3,311,399,141	3,060,303,090	–150,232,048	–142,871,037	17,424,699	15,842,371	463,547,182	413,582,360	37,794,889	39,867,733	28,986,028	49,981,973	26,101,801	23,366,811	–107,524,578	–314,383,377	3,627,497,114	3,145,689,924
Income tax expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	851,870,234	764,453,843	851,870,234	764,453,843
Net profit	3,311,399,141	3,060,303,090	–150,232,048	–142,871,037	17,424,699	15,842,371	463,547,182	413,582,360	37,794,889	39,867,733	28,986,028	49,981,973	26,101,801	23,366,811	–959,394,812	–1,078,837,220	2,775,626,880	2,381,236,081
Total segment assets	13,414,938,917	14,085,406,471	1,154,032,069	1,251,361,791	316,071,035	327,858,711	1,530,754,150	1,654,952,512	339,536,057	401,810,282	2,924,629,699	1,999,738,823	324,506,444	305,435,241	6,829,443,999	5,822,693,808	26,833,912,370	25,849,257,639
Total segment liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,735,684,631	6,693,781,895	6,735,684,631	6,693,781,895
Supplementary information:																		
Depreciation and amortization	676,570,398	660,925,006	101,543,082	115,662,052	11,787,675	10,866,354	137,745,003	139,303,458	20,556,577	20,893,477	1,121,296	926,649	8,001,308	8,712,330	7,826,786	21,204,876	965,152,125	978,494,202
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,051,553	8,144,164	7,051,553	8,144,164
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	288,687,856	326,595,732	288,687,856	326,595,732
Investment income from long-term equity investment under equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265,462,187	133,212,868	265,462,187	133,212,868
Non-current assets other than long-term equity investments	13,414,938,917	14,085,406,471	1,154,032,069	1,251,361,791	316,071,035	327,858,711	1,530,754,150	1,654,952,512	339,536,057	401,810,282	10,864,348	10,499,936	61,305,961	67,307,590	1,465,120,502	317,547,875	18,292,623,039	18,116,745,168
Capital expenditure	180,975,184	84,194,170	1,927,429	1,752,502	0	0	37,568,460	17,601,864	9,528,545	16,912,294	2,511,098	2,010,804	5,545,522	2,443,341	2,785,877	40,242,941	240,842,115	165,157,916
Incl.: Expenditure arising from construction in progress	149,714,671	49,800,372	0	0	0	0	23,719,388	0	3,862,701	13,196,765	0	0	4,614,581	2,388,221	2,785,877	40,242,941	184,697,218	105,628,299
Expenditure arising from purchase of fixed assets	31,260,513	34,393,798	1,927,429	1,752,502	0	0	13,849,072	17,601,864	5,665,844	3,715,529	2,511,098	2,010,804	930,941	55,120	0	0	56,144,897	59,529,617
Expenditure arising from purchase of intangible asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Segment profit represents the gross profit earned by each segment without allocation of finance costs, and investment income. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to segments other than available-for-sale financial assets, long-term equity investment, held-for-trading financial assets and cash and bank balances etc.

(2) External revenue by geographical area of source and non-current assets by geographical location

All income and assets of the Group are from/located in Jiangsu province.

(3) Degree of reliance on major customers

The principle activities are toll roads operation and ancillary services along toll roads etc. therefore there is no reliance on specific customers.

10. Changes in accounting estimates

Unit: RMB

Changes in accounting estimates and reasons	Approval procedures	Financial statement items affected	Amounts affected
The intangible asset is amortized using traffic volume method by using the ratio of traffic volume between certain period and whole operation period. When there is significant difference between actual and estimated traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortization amount. During the reporting period, the Group engaged an independent transport advisory and assessment institution to make a reassessment of predicted traffic volumes during the residual toll collection periods for all toll roads owned by the Group, and adjusted the provisions of amortization amounts for the standard traffic volumes on each road in accordance with the assessment results. The Company has adopted "prospective application" method to evaluate the accounting estimate from 1 Oct 2013.	Upon approval at the 13th meeting of the 7th Board of Directors on 21 March 2014	Prospective application method	
		Company's financial statements:	
		Intangible assets at 31 December 2013	Less: Intangible assets 18,209,279
		Operating costs for 2013	Add: Operating costs 18,209,279
		Taxes payable at 31 December 2013	Less: Taxes payable 4,552,320
		Income tax expenses for 2013	Less: Income tax expenses 4,552,320
		Consolidated financial statements:	
		Intangible assets at 31 December 2013	Less: Intangible assets 15,028,555
		Operating costs for 2013	Add: Operating costs 15,028,555
		Taxes payable at 31 December 2013	Less: Taxes payable 3,757,139
		Income tax expenses for 2013	Less: Income tax expenses 3,757,139
		Minority interests at 31 December 2013	Add: Minority interests 357,831
		Profit or loss attributable to minority interests for 2013	Add: Profit or loss attributable to minority interests 357,831

Chairman: **Yang Genlin**
Jiangsu Expressway Company Limited

24 March 2014

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, Zhang Erzhen, Xu Chang Xin*, Gao Bo* and Chen Donghua**

* *Independent Non-executive Directors*