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 2014 ANNUAL REPORT

The content in this announcement is made pursuant to the requirements set out in Rule 13.49(4) and paragraph 45 in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. IMPORTANT NOTICE

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

This summary of the annual report is extracted from its full text, which has been posted on the websites of the Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited (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

Stock Abbreviation	寧滬高速 (A Shares)	Jiangsu Expressway (H Shares)	JEXYY(ADR)
Stock Code	600377	0177	477373104
Listing Stock Exchange	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	United States

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II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Major financial data

Unit: RMB'000

	2014	2013	Increase/ decrease over previous year %	2012	2011	2010
Total assets	**27,444,862,983**	26,833,912,370	2.28	25,849,257,639	25,375,438,896	24,897,493,133
Net assets attributable to equity holders of the Company	**20,348,338,531**	19,596,483,889	3.84	18,688,861,700	18,144,689,549	17,563,723,203
Net cash flow from operating activities	**3,092,012,620**	3,084,162,160	0.25	3,189,409,926	3,835,414.221	3,391,632,351
Operating revenue	**7,879,076,285**	7,614,226,717	3.48	7,795,942,681	7,401,310,221	6,756,244,112
Net profit attributable to equity holders of the Company	**2,574,754,312**	2,707,743,147	–4.91	2,333,344,558	2,429,750,207	2,484,404,028
Net profit attributable to equity holders of the Company after non-recurring profit/loss	**2,575,500,757**	2,648,402,925	–2.75	2,342,604,374	2,430,245,112	2,475,691,840

	2014	2013	Increase/ decrease over previous year %	2012	2011	2010
Weighted average return on net assets *(%)*	**13.21**	14.49	Decreased by 1.28 percentage points	12.99	13.96	14.81
Basic earnings per share *(RMB/share)*	**0.511**	0.538	Decreased by 4.91 percentage points	0.463	0.482	0.493
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

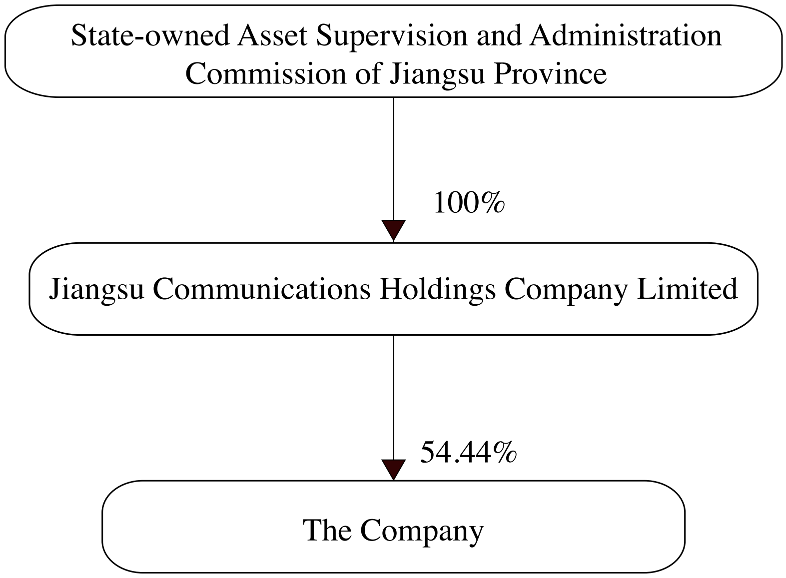
Total number of shareholders at the end of the reporting period	37,442	Total number of shareholders as at the end of the fifth trading day before the date of disclosure of the annual report	36,335

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
JPMorgan Chase & Co.	Foreign legal person	2.2	110,855,438	0	Unknown
Mondrian Investment Partners Limited	Foreign legal person	2.19	110,350,000	0	Unknown
BlackRock, Inc.	Foreign legal person	1.93	97,177,558	0	Unknown
Commonwealth Bank of Australia	Foreign legal person	1.22	61,519,930	0	Unknown
Jiantou Zhongxin Asset Management Co., Ltd.	Other	0.42	21,410,000	0	Unknown
Great Wall — Bank of China — Invesco Asset Management Limited — Invesco PRC Equity Fund (長城 — 中行 — 景順資產管理有限公司 — 景順中國系列基金)	Other	0.36	18,312,774	0	Unknown
Guotai Junan Securities Co., Ltd.	Other	0.36	18,222,391	0	Unknown
China Life Insurance Company Limited (Taiwan) — Self-owned capital	Other	0.33	16,486,164	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



III. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Business Review and Operation Analysis

1. Business Overview

During the reporting period, the Company together with its subsidiaries (the "**Group**") realized total operating revenues of approximately RMB7,879,076,000, increrased by approximately 3.48% year-on-year, of which toll revenue amounted to approximately approximately RMB 5,372,221,000, representing an increase of approximately 0.51% year-on-year; revenue from ancillary services amounted to approximately RMB2,207,416,000, representing an increase of 2.66% year-on-year; revenue from property sales amounted to approximately RMB253,557,000, representing an increase of approximately 237.18% year-on-year; and revenue from advertising and other operations amounted to approximately RMB45,882,000, up by approximately 4.38% year-on-year. Under the PRC Accounting Standards, the Group realized an operating profit of approximately RMB3,467,262,000 during the Reporting Period, a decrease of approximately 2.53% for the same period in 2013. Net profit attributable to owners of the Company was approximately RMB2,574,754,000 and earnings per share was approximately RMB0.511, a decrease of approximately 4.91% for the same period in 2013.

2. *Toll road and bridge operations*

(2) *Business Performance and Analysis on Project Operation*

In 2014, the Group recorded a toll revenue of approximately RMB5,372,221,000, representing a year-on-year increase of approximately 0.51% and accounting for 68.18% of total revenue from operation of the Group. Details of the operations of each of the projects are set out as below:

Comparison of average daily traffic volume and toll revenue

Road/Bridge	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	2014	2013	Change %	**2014**	2013	Change %
Shanghai-Nanjing Expressway	**74,129**	71,460	3.73	**12,303.87**	12,388.4	–0.68
Shanghai-Nanjing Section of G312	**8,648**	9,125	–5.23	**145.21**	146.4	–0.81
Nanjing Section of Nanjing-Lianyungang Highway	**4,318**	4,910	–12.06	**82.03**	100.5	–18.39
Guangjing Expressway	**55,620**	51,214	8.60	**772.26**	712.6	8.37
Xicheng Expressway	**59,986**	55,139	8.79	**1,415.04**	1,295.8	9.20
Jiangyin Yangtze Bridge	**66,572**	61,392	8.44	**2,657.51**	2,464.0	7.86
Sujiahang Expressway	**52,178**	47,669	9.46	**3,131.69**	2,863.7	9.36

Viewing from the operating performance of all projects, for 2014, the average daily traffic volumes of Shanghai-Nanjing Expressway recorded a year-on-year growth of 3.73%, among which, the traffic volumes of passenger vehicles witnessed a growth of approximately 6.65% while the truck traffic volume decreased by 3.73%. The proportion of passenger vehicles to trucks were 74% to 26%. Trucks using Shanghai-Nanjing Expressway recorded a year-on-year decrease of 2 percentage points, reflecting a relatively weaker performance when compared to that using other expressways of the Group within the expressway network. That was mainly due to the fact that, after Lima (溧馬) (Lishui to Ma'anshan) Expressway opened at the end of 2013, vehicles from Anhui to Sunan region along the line were gradually rerouted to Nanjing — Changzhou Expressway, and also the use by external commercial passenger vehicles and trucks within Nanjing Ring Road (南京繞城公路) was restricted. As a result, the traffic volumes of passenger vehicles for the western portion of Shanghai-Nanjing Expressway (Nanjing-Changzhou) recorded a slowdown in its year-on-year growth and the truck traffic volume decreased for this year. In particular, for 2014, the average daily traffic volumes of the western portion of Shanghai-Nanjing Expressway were 57,904, representing a year-on-year growth of 1.40%, among which the year-on-year growth in the number of passenger vehicles was 5.74% while the year-on-year decrease of that of trucks was 10.41% (a decrease by 3.74% for the first six months and a decrease by 16.38% for the remaining six months, and the declining trend tended to become more significant quarter by quarter); as for the eastern portion of Shanghai-Nanjing Expressway (Wuxi-Suzhou), the average daily traffic volumes were 100,257, representing a year-on-year growth of 6.01%, among which the year-on-year growth of passenger vehicles was 7.55%, and the growth continued quarter by quarter; the year-on-year growth of trucks was 2.25% which was slowed down quarter by quarter due to the impact of the decrease in the vehicles using the western portion. Owing to the decline in the truck traffic volume, during the Reporting Period, the average daily toll revenue of Shanghai-Nanjing Expressway was approximately RMB12,303,870, with a year-on-year decrease of 0.68%, while bicycle revenue recorded a year-on-year decrease of 4.27%. The overall performance was less favourable than the expectation as of the beginning of the Reporting Period.

In 2014, the traffic volumes for average daily toll at Huning Section of G312 and the average daily revenues respectively recorded a year-on-year decrease of 5.23% and 0.81%. The declining trend has been improved to a large extent. In July 2012, two stops and two points were removed from Huning Section of G312 according to the requirements concerning specific clear-up for toll roads, and at the end of 2012, Jiangsu Provincial Government approved on making compensation for the loss due to removal of stops. For the past two years, the Company, under the support of the controlling Shareholders, actively communicated and negotiated with the competent authority of the government and continued to optimize and adjust the proposal for compensation. Pursuant to the relevant opinions of the government, until the disclosure date of the annual reports for the Reporting Period, it was confirmed that the controlling Shareholder would perform the relevant compensation obligations on behalf of the government.

The traffic volumes of Nanjing Section of Nanjing-Lianyungang Expressway significantly decreased because of the impact brought about by the limitation on the access by external trucks to Nanjing 2nd Bridge (南京二橋) commencing from 1 April 2014. As a result, the average daily traffic volumes and revenues during the Reporting Period recorded respectively a year-on-year decrease of 12.06% and 18.39%.

The traffic volumes and toll revenues of all of other road and bridge projects including Guangjing Expressway, Xicheng Expressway, Jiangyin Yangtze Bridge and Sujiahang Expressway continued to maintain good growth momentum. As for the structure of traffic volumes of passenger vehicles and bicycle revenue level, the year-on-year comparison basically remained to be stable.

3. *Operation of Ancillary Services*

In 2014, led by the growth in the sales of petroleum products, the Company recorded revenue of approximately RMB2,207,416,000 from the ancillary services, representing a year-on-year growth of approximately 2.66%. Out of this revenue, revenue from sales of petroleum products amounted to approximately RMB1,994,881,000, accounting for approximately 90.37% with respect to the total revenue from the ancillary services, and representing a year-on-year growth of approximately 2.30%. During the Reporting Period, the year-on-year growth for the sales of petroleum products was approximately 5.26%. Commencing from the fourth quarter of 2014, in light of the decline in the international oil price, the growth of sales revenue and sales volume of petroleum products differed in terms of the extent of growth. Revenue from other businesses including food and beverage, retail sales of goods and hindrance clearance services amounted to RMB212,535,000, representing a year-on-year increase of approximately 6.24%.

4. *Property Development and Sales Business*

In 2014, the market environment was complicated and the market competition was fierce. Nonetheless, the development of the Company's property business still maintained its stable and healthy status. The area under development for the Reporting Period was over 189,000 m^2, and investment of approximately RMB550 million was accordingly made in the completion of the same. As for sales of projects, changes in the market environment had brought about some definite negative impact on the Company's property sales business in 2014, the sales for the Reporting Period were lower than expected as of the beginning of the Reporting Period. During the Reporting Period, four units of C4 Tongcheng Hongqiao Mansion (including one residential unit and three shops) were sold, with accumulated sales of 453 units (with 23 shops and all residential units being sold out); seven units of B4 Tongcheng Guangming Jiezuo (同城光明捷座) (including five residential unit and two shops) were sold, with accumulated sales of 343 units; 18 units of Jurong Tongcheng Shijia Garden Phase I (句容同城

世家花園一期) were sold, with accumulated sales of 101 units; advanced sale of Tongcheng Shijia Garden Phase II (同城世家花園二期) officially commenced on 16 August 2014, with accumulated subscription of 16 units. In light of the implementation of the macroscopic policy and the fact that Huaqiao core area has not formed a good commercial environment, there was no progress in sales of Huaqiao C7 Pujiang Office Building (花橋C7浦江大廈商務辦公樓) and Suzhou Qingyuan (蘇州慶園).

During the Reporting Period, the receipts from the advanced sales of sellable projects amounted to approximately RMB212,429,000; the carry-over revenue from sales amounted to approximately RMB253,557,000, representing a year-on-year growth of approximately 237.18%; the net profits amounted to RMB2,684,000, representing a year-on-year decrease of 90.74%. Since the Company is currently with relatively a large number of projects under development and sale, the cost is relatively centralized. Meanwhile, no progress in the sales was tentatively made for the two projects, namely Qingyuan and Pujiang Building, and the relevant advertising expenses are still being incurred, the profits contributed by new projects are accordingly subject to dilution. As a result, during the Reporting Period, the earnings from domestic property business were less despite its contribution towards the revenues.

For 2014, the Company continued to seize the appropriate timing to increase its land reserves. In August 2014, the Company acquired the land use right in respect of the plot at No.2, New City Commercial Core Zone, south of Nanjing (南京南部新城商業核心區內2號) by auction, with the assigned land area of 17,595.02㎡ and the planned plot ratio did not exceed seven. The land use was commercial-composite and an area of 20,000 m^2 was allocated for the construction of serviced apartments with the total purchase price of RMB500 million, marking a substantial step towards the development of commercial properties in the Nanjing area.

5. Advertising and other businesses

Other businesses of the Company mainly comprise advertisement operations, lease of commercial properties and property services. In 2014, the revenue from advertising and other businesses of the Group amounted to RMB45,882,000, representing a year-on-year increase of 4.38%. Among such aggregate revenue, revenue from advertisement operations was approximately RMB40,656,000 which was more or less the same when compared to that of the same period in 2013; revenue from property service fees and lease of commercial properties was approximately RMB5,226,000, representing a year-on-year increase of approximately 57.31%, 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

Item	**Current period**	Corresponding period of last year	Changes %
Operating revenue	**7,879,076,285**	7,614,226,717	3.48
Operating costs	**4,020,311,735**	3,694,143,781	8.83
Selling expenses	**13,806,381**	9,832,355	40.42
Administrative expenses	**179,857,348**	176,140,246	2.11
Financial expenses	**312,417,868**	292,786,104	6.71
Net cash flow from operating activities	**3,092,012,620**	3,084,162,160	0.25
Net cash flow from investing activities	**(360,972,922)**	(964,869,541)	–62.59
Net cash flow from financing activities	**(2,559,759,516)**	(2,396,600,660)	6.81

(1) Structures of Revenue

Items of Operating Revenue	**2014**	**Percentage**	2013	**Percentage**	**Change over the previous year**
	(RMB)	*%*	*(RMB)*	*%*	*%*
Revenue from toll road operations	**5,372,221,374**	68.18	5,344,929,268	70.20	0.51
Revenue from ancillary business	**2,207,415,574**	28.02	2,150,138,512	28.24	2.66
Revenue from property sales	**253,556,650**	3.22	75,200,074	0.99	237.18
Revenue from advertising and other businesses	**45,882,687**	0.58	43,958,863	0.57	4.38
Total	**7,879,076,285**	100	7,614,226,717	100	3.48

As the major customers of the Group's toll business, operation business in service zone and property sales business are social individual consumers, the five largest customers in aggregate accounted for less than 30% of the turnover of the Company. Coupled with th fact that there is no bulk procurement related to day-to-day operations, disclosure of the particulars regarding the major customers and suppliers is of an insignificant value and hence no such disclosure has been made in this report.

(2) Structures of Costs

During the Reporting Period, aggregated operating costs amounted to approximately RMB4,020,312,000, representing a year-on-year increase of approximately 8.83%. The structure of costs of each business category are set out below:

Item of operating costs	2014 (RMB)	Percentage %	2013 (RMB)	Percentage %	Change over the previous year %	Changes explanation
Operating costs of the toll road operations	**1,632,904,125**	40.62	1,548,946,009	41.93	5.42	
Depreciation and amortization	**899,535,821**	22.38	865,790,759	23.44	3.90	Due to the natural growth of the traffic volume and the comprehensive impact from the changes in accounting estimates, such as the adoption of the new estimation of traffic volume for the amortization of the franchise rights of the toll roads, depreciation and amortization costs of toll road operation recorded a year-on-year increase.
Costs on toll collection operation	**121,372,641**	3.02	129,792,144	3.51	–6.49	Due to the adjustments on accounting measures for labor costs, part of the costs on toll collection operation transferred to labor costs. Moreover, controllable cost expenses effectively controlled by strengthening budget management, resulting in the decrease in costs on toll collection operation.
Costs on roads and bridges maintenance	**174,503,339**	4.34	157,578,847	4.27	10.74	Due to several reasons such as the normal wear and tear of roads and the environmental renovation in Yingqingao road section (迎青奧路域), numbers of maintenance projects of roads and bridges increased in the year. As a result, costs on roads and bridges maintenance also increased.
Costs on system maintenance	**35,918,969**	0.89	30,248,027	0.82	18.75	Costs on system maintenance recorded a year-on-year increase, due to the modernization of communication, toll, monitoring and lighting systems.
Labor costs	**401,573,355**	9.99	365,536,232	9.89	9.86	The labor costs of the toll road operations recorded a year-on-year increase due to the rigid increase in and the adjustments on accounting measures for labor costs.
Costs on ancillary businesses	**2,173,699,586**	54.07	2,099,889,085	56.84	3.51	
Raw materials	**1,996,125,136**	49.65	1,940,508,229	52.53	2.87	Raw material costs in costs on ancillary businesses recorded a year-on-year increase due to the year-on-year increase in sales volume of petroleum products.
Depreciation and amortization	**19,293,020**	0.48	20,678,748	0.56	–6.70	In this financial year, the Company has adjusted part of the fixed assets classification and depreciation period of the ancillary businesses, resulting in the decrease in depreciation of some of the equipment of the ancillary businesses.
Labor costs	**126,737,871**	3.15	104,434,427	2.82	21.36	Labor costs of ancillary businesses recorded a year-on-year increase due to the rigid growth in labor costs and the adjustments on accounting measures for labor costs
Other costs	**31,543,559**	0.79	34,267,681	0.93	–7.95	As the accounting measures being adjusted and controllable cost expenses effectively controlled by strengthening budget management, other costs of ancillary businesses recorded a year-on-year decrease
Costs on property sales business	**197,100,033**	4.90	29,507,771	0.80	567.96	Costs on property sales business recorded a year-on-year increase due to the year-on-year increase in deliveries of property projects.
Costs on advertising and other business	**16,607,991**	0.41	15,800,916	0.43	5.11	Primarily due to the increase in management and operation costs of the delivered community properties by Ninghu Properties.
Total	**4,020,311,735**	100	3,694,143,781	100	8.83	

(3) Expenses

1) Administrative expenses

During 2014, administrative expenses of the Group amounted to RMB179,857,000 in aggregate, representing a year-on-year increase of 2.11%. The budgetary control of administrative expenses of the Company was in good condition in 2014 through the strengthening of budget management and strict expenses control.

2) Financial expenses

As at 31 December 2014, the balance of interest-bearing liabilities of the Group amounted to RMB5,125,138,000, representing a decrease of RMB358,595,000 as compared to the beginning of the Reporting Period. As the comprehensive costs of the interest-bearing liabilities recorded a year-on-year increase, the Group's aggregate finance costs amounted to RMB312,418,000, representing a year-on-year increase of 6.71%. The Company adopted positive measures to enhance capital utilization efficiency, as well as reduce finance costs through various direct financing means including the issue of ultra-short-term and short-term notes, non-public directed debt instruments and so forth. Finance costs of the Group during the Reporting Period were under effective control in general.

3) Selling expenses

In 2014, the Group's aggregate selling expenses amounted to approximately RMB13,806,000, representing a year-on-year increase of 40.42%, mainly due to the year-on-year increase in the agency fees and commissions resulting from the promotion of property projects by Ninghu Properties.

4) Income tax

The statutory tax rate of all companies under the Group was 25%. In 2014, income tax expense of the Group amounted to RMB807,731,000 in aggregate, representing a year-on-year increase of 5.18%.

(4) Non-operating Income

In 2014, the Group achieved a non-operating income of approximately RMB20,780,000, representing a year-on-year decrease of 79.74%, which was mainly due to proceeds of RMB 88,764,000 from the disposal of Zhenjiang branch line of Shanghai-Nanjing Expressway.

(5) Item of Cash Flow Statements

Item of Cash Flow	**2014** *(RMB)*	2013 *(RMB)*	**Change over the previous year** %	**Reasons for Changes**
Net cash flow from operating activities	**3,092,012,620**	3,084,162,160	0.25	Net cash flow from operating activities recorded a year-on-year increase due to the net increase in operating cash inflow from the operating revenue growth.
Net cash flow from investing activities	**(360,972,922)**	(964,869,541)	–62.59	Net cash outflow from investing activities recorded a year-on-year decrease due to the year-on-year decrease in net cash outflow for external investment during the reporting period.
Net cash flow from financing activities	**(2,559,759,516)**	(2,396,600,660)	6.81	During the Reporting Period, the Company recorded a year-on-year increase in the net cash outflow from the repayment of interest-bearing debt, as well as the cash paid in dividend distribution and repayment of interest, leading to the increase in net cash outflow from financing activities over the previous year.

2. *OPERATION ANALYSIS BY INDUSTRIES, PRODUCTS OR REGIONS*

The operating revenue of the Group in the year of 2014 amounted to RMB 7,879,076,000 in aggregate, representing an increase of 3.48% as compared to the same period in 2013; operating costs amounted to RMB 4,020,312,000 in aggregate, representing an increase of 8.83 % as compared to the same period in 2013. As the rate of increase of revenue was lower than that of costs, the consolidated gross profit margin of the Group decreased for 2.51 percentage points year-on-year.

(1) Operation by industries, products or regions:

Item	**Operating revenue**		**Operating costs**		**Gross profit margin** *(%)*	
	2014 *(RMB)*	Change over the previous year *(%)*	**2014** *(RMB)*	Change over the previous year *(%)*	**2014**	Change over the previous year
Toll road	**5,372,221,374**	0.51	**1,632,904,125**	5.42	**69.60**	Decreased by 1.42 percentage points
Shanghai-Nanjing Expressway	**4,490,913,228**	–0.68	**1,107,253,412**	2.02	**75.34**	Decreased by 0.66 percentage points
Shanghai-Nanjing Section of G312	**53,001,537**	–0.81	**276,893,764**	37.98	**–422.43**	Decreased by 146.88 percentage points
Nanjing Section of Nanjing-Lianyungang Highway	**29,941,035**	–18.39	**15,548,066**	–13.77	**48.07**	Decreased by 2.78 percentage points
Guangjing Xicheng Expressway	**798,365,574**	8.91	**233,208,883**	–4.76	**70.79**	Decreased by 4.19 percentage points
Ancillary Services	**2,207,415,574**	2.66	**2,173,699,586**	3.51	**1.53**	Decreased by 0.81 percentage points
Property Sales	**253,556,650**	237.18	**197,100,033**	567.96	**22.27**	Decreased by 38.49 percentage points
Advertising and others	**45,882,687**	4.38	**16,607,991**	5.11	**63.80**	Decreased by 0.26 percentage points
Total	**7,879,076,285**	3.48	**4,020,311,735**	8.83	**48.97**	Decreased by 2.51 percentage points

(2) Principal businesses by regions

Unit: RMB

Region	Operating revenue	Change in operating revenue over the pervious year *(%)*
Within Jiangsu Province	7,879,076,285	3.48

3. *Assets and Liabilities analysis*

(1) Assets and Liabilities analysis

Item of Assets and Liabilities	2014 *(RMB)*	Percentage %	2013 *(RMB)*	Percentage %	Change over the previous year %
Cash and bank balances	**598,250,453**	2.18	409,176,746	1.52	46.21
Accounts receivable	**96,125,706**	0.35	51,443,626	0.19	86.86
Inventories	**3,091,145,953**	11.26	2,844,577,736	10.60	8.67
Investment properties	**34,284,836**	0.12	35,415,146	0.13	–3.19
Long-term equity investment	**4,174,591,269**	15.21	3,787,359,931	14.12	10.22
Fixed assets	**1,186,446,387**	4.32	1,099,548,420	4.10	7.90
Construction in progress	**258,800,371**	0.94	127,708,416	0.48	102.65
Short-term borrowings	**3,360,000,000**	12.24	3,220,000,000	12.00	4.35
Long-term borrowings	**269,708,646**	0.98	271,148,039	1.01	–0.53
Shareholders' equity attributable to equity holders of the Company	**20,348,338,531**	74.14	19,596,483,889	73.03	3.84
Minority interests	**588,309,342**	2.14	501,743,850	1.87	17.25
Total Assets	**27,444,862,983**	100.00	26,833,912,370	100	2.28
Total gearing ratio	**23.71%**	—	25.10%	—	Decreased by 1.39 percentage points
Net gearing ratio	**31.09%**	—	33.51%	—	Decreased by 2.42 percentage points

- Calculation basis of the total gearing ratio: Liabilities/Total assets

  Calculation basis of the net gearing ratio: Liabilities/Shareholders' equity

- Cash and bank balances increased by 46.21% over the previous year, mainly due to the addition of a new subsidiary Zhendan Company (鎮丹公司) with a carrying value of capital amount of RMB200 million during the Reporting Period.

- Accounts receivable increased by 86.86% as compared to the beginning of 2014, mainly attributable to the increase in toll receivable from road networks and the receivable from the sales of petroleum products.

- Construction-in-progress increased by 102.65% as compared to the beginning of 2014, mainly attributable to the increase in funds invested in projects on, such as, construction of information technology infrastructure, renovation of toll booths and renovation of interchanges.

(2) 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) subscribed in 2011. The investment cost was RMB20,000,000. The net value at the beginning of 2014 amounted to RMB20,175,000, and the net value at the end of 2014 amounted to RMB24,539,000. The fair value as recorded during the said period increased by RMB4,364,000, and the aggregate fair value increased by RMB4,539,000. During the Reporting Period, Ninghu Investment newly increased the investment of gold. The investment cost was RMB15,710,000, net value of which at the end of the said period was RMB14,413,000, and the fair value of the current year was decreased by RMB1,297,000.

(3) Capital expenditures

In 2014, the Group's planned capital expenditures actually incurred amounted to approximately RMB481,556,000, representing a decrease of 65.23% or RMB903,303,000 from 2013. The year-on-year decrease was comparatively significant, mainly due to the payment of RMB1,000 million for the purchase of shares of the Bank of Jiangsu. In 2014, details on the Group's capital expenditure projects are as follows:

Capital Expenditure Project	*RMB*
Equity investment in Sujiayong Company	105,015,240
Equity investment in Luode Fund	5,850,000
Equity investment in Jiangsu GCL	1,846,100
Balance payment of the expansion works of Shanghai-Nanjing Expressway	17,000,328
Interflow , renovation and expansion engineering project of Suzhou	65,340,000
Information construction projects	47,806,599
Noise barriers construction projects	18,262,819
Renovation project of toll collection points and service areas	84,159,787
Renovation of the three major systems and traffic signals	35,406,026
Interflow and renovation of Jingjiang station of Guangjing Xicheng Expressway	26,275,500
Setting up advertising signages	7,762,604
Other construction in progress and equipment	66,830,664
Total	481,555,667

(4) Financial Strategy and Financing Arrangement

During the Reporting Period, the Company actively expanded its financing channels. It adjusted its debt structure and repaid expired loans by direct financing means including the issue of ultra-short-term and short-term notes as well as non-public directed debt instruments. The total direct financing amount for 2014 amounted to RMB3.7 billion, which could satisfy the liquidity demands of operation management and project investment and effectively reduce financing costs. In 2014, the Company's consolidated borrowing cost of interest-bearing liabilities was approximately 5.43%. Though approximately 0.19 percentage point higher than the previous year, it was managed to be approximately 0.62 percentage point lower than the prevailing bank borrowing rate of the same period

In 2014, the Company's major financing activities are as follows:

Financing category	**Date of issue**	**Term**	**Financing amount**	**Issuing interest rate**	**Prevailing benchmark rate of banks**	**Decrease in financing costs**
			RMB billion	%	%	%
Non-public direct debt financing instruments	2014-05-23	1 year	0.5	5.6	6	6.67
ultra-short-term notes	2014-04-17	180 days	0.2	5.08	5.6	9.29
ultra-short-term notes	2014-06-12	270 days	0.5	4.89	6	18.5
ultra-short-term notes	2014-08-22	150 days	0.4	4.80	5.6	14.29
ultra-short-term notes	2014-10-10	270 days	0.4	4.80	6	20
ultra-short-term notes	2014-11-12	266 days	0.7	4	6	33.33
Short-term notes	2014-12-12	270 days	1.0	5.05	5.6	9.82

(5) Pledge of assets

In 2012, Guangjing Xicheng, a subsidiary of the Company, obtained long-term bank borrowings of RMB400,000,000 from the Bank of Communication Jiangsu Branch through pledging the operation right of Guangjing Xicheng Expressway. The borrowings were used for the equity investment of Yanjiang Expressway. As at the end of the Reporting Period, amount of RMB150,000,000 in aggregate has been repaid. The floating interest rate of such borrowings was determined based on the benchmark rate announced by The People's Bank of China, and the annual interest rate of 2014 was 6.4%.

(6) Contingencies

Ninghu Properties, a subsidiary of the Company, provided guarantees to banks for bank borrowings granted to buyers of properties of Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion, Huaqiao Urban Core B4 Guangmingjiezuo Project and Baohua Hongyan Community Land B Phase 1 Tongchengshijia Project. The obligation will commence from the date on which the guarantee contract comes into effect and will cease when the buyers complete registration of mortgage and submit the property ownership certificates to bank. As at 31 December 2014, the outstanding guarantees amounted to approximately RMB175,803,000 (31 December 2013: RMB83,922,000).

(7) Trust deposits

As at 31 December 2014, the Company did not have any trust deposits with any financial institutions in the PRC or any fixed term deposits which were irrecoverable upon their maturity.

(8) Trust loans

The Company borrowed RMB190,000,000 on 13 August 2014, by way of trust loan from Far East Shipping, a related company. The loan bears a term of one year, carrying an annual interest rate of 6%. During the Reporting Period, the Company repaid RMB190,000,000 and the outstanding balance was RMB190,000,000 as at the end of the Reporting Period.

(9) Foreign Exchange Risks

The Group operates its businesses principally in the PRC. No major foreign exchange risks are involved as the Company's revenues from operations and capital expenditures are all settled in Renminbi, except for dividend payments on H Shares. A loan of USD9,800,000, with an annual interest rate of 2%, was secured from the Spanish Government in 1998 and will be due on 18 July 2027. As at 31 December 2014, the balance of the loan was equivalent to an amount of approximately RMB21,225,000, against which no foreign exchange hedge arrangements were made. Fluctuations in exchange rates will not have any material impact on the Company's results.

(10) Reserves

Unit: RMB

	Share capital	Capital reserve	Other comprehensive income	Statutory surplus reserve	Retained profits	Total shareholders' equity attributable to equity holders of the Company
1 January 2013	5,037,747,500	7,484,538,998	81,405,369	2,550,126,797	3,535,043,036	18,688,861,700
Profit for the year					2,707,743,147	2,707,743,147
Reduction of owners' capital		(984,810)				(984,810)
Total comprehensive income			14,452,952			14,452,952
Profit distributed				283,171,284	(283,171,284)	0
Dividends distributed					(1,813,589,100)	(1,813,589,100)
31 December 2013	5,037,747,500	7,483,554,188	95,858,321	2,833,298,081	4,146,025,799	19,596,483,889
1 January 2014	**5,037,747,500**	**7,483,554,188**	**95,858,321**	**2,833,298,081**	**4,146,025,799**	**19,596,483,889**
Profit for the year					**2,574,754,312**	**2,574,754,312**
Reduction of owners' capital		**(1,586,347)**				**(1,586,347)**
Total comprehensive income			**93,030,727**			**93,030,727**
Profit distributed				**93,745,612**	**(93,745,612)**	**0**
Dividends distributed					**(1,914,344,050)**	**(1,914,344,050)**
31 December 2014	**5,037,747,500**	**7,481,967,841**	**188,889,048**	**2,927,043,693**	**4,712,690,449**	**20,348,338,531**

Note: The above capital items apply to all Group companies.

The above statutory reserves may neither be used for purposes other than their intended purposes nor for distribution as cash dividends. As at 31 December 2014, reserves distributable to shareholders of the Company amounted to RMB4,712,690,449.

(IV) INVESTMENT ANALYSIS

During the Reporting Period, an aggregate of approximately RMB112,711,000 of external investment was made by the Group, representing a decrease of 90.15% as compared to approximately RMB1,144,017,000 in 2013. The external investments made included the investment in Sujiayong Company amounted to RMB105,015,000, the second-phase investment in Luode Fund of RMB5,850,000, and the investment in Jiangsu GCL Gas Co., Ltd. of RMB1,846,000.

1. *Equity Investment in Financial Enterprises*

Unit: RMB

Name of investee	Investment amount	Number of shares held	Shareholding of the companies	Book value at the end of the Reporting Period	Profit or loss during the Reporting Period	Changes in owners' equity during the Reporting Period	Accounting item	Source of shares
Jiangsu Lude	11,700,000	11,700,000	39%	8,044,465	–2,324,319	–2,324,319	Long-term equity investment	Established by means of promotion
Bank of Jiangsu	1,000,000,000	200,000,000	1.92%	1,000,000,000	0	0	Financial assets available for sale	Capital increment
Financial leasing company	234,000,000	234,000,000	9.97%	270,898,456	17,550,000	17,550,000	Financial assets available for sale	Established by means of promotion

2. *Other investment, wealth management and derivatives*

Unit: RMB

Investment type	Source of capital	Signatory	Investment share	Term	Products type	Expected revenue	Gains/losses	Involvement in litigations (if any)
Wealth management products issued by banks	own capital	Commercial banks	206,750,000	Within 3 months	Principal-guaranteed wealth management products issued by banks	—	—	No
Fuanda Advantageous Growth Foundation	own capital	Fuanda Funds	20,000,000	Long-term	Funds		4,539,264	No
Precious metals — Gold	own capital	Shanghai Gold Exchange	15,710,238	Long-term	Precious metals		–1,297,680	No

Explanation of other investment, wealth management and derivatives:

Wealth management products were the RMB-denominated wealth management products held by Ninghu Investment, a subsidiary of the Company, and issued by Bank of Jiangsu, China Guangfa Bank, China Merchants Bank GoForture Co. and Industrial and Commercial Bank of China. Such wealth management products were principal-guaranteed with floating income.

3. *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 in net profit
		(RMB)	%	*(RMB)*	*(RMB)*	*(RMB)*	%	%
Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Construction, management, maintenance and toll collection of Guangjing Expressway and Xicheng Expressway in Jiangsu	2,125,000,000	85	3,887,088,282	3,540,477,713	483,555,679	18.27	7.43
Jiangsu Ninghu Investment Development Co., Ltd.	Investment in various infrastructure, industrial and assets investment	110,100,000	100	359,312,689	331,980,377	39,286,022	1.48	120.84
Jiangsu Ninghu Properties Co., Ltd.	Development and operation and consultancy of properties	500,000,000	100	3,322,482,081	537,822,732	2,169,535	0.08	–82.89
Jiangsu Zhendan Expressway Co., Ltd. (江蘇鎮丹高速公路有限公司)	Construction, management, maintenance and toll collection of Jiangsu Zhendan Expressway	140,000,000	70	200,004,900	200,004,900	4,900	—	—

4. *Operations of Major Associates*

In 2014, the Group's investment income amounted to approximately RMB352,287,000, representing a year-on-year increase of 11.70%. Benefitted from the increase in profits of associates such as Jiangsu Yangtze Bridge Co., Ltd. and Sujiahang, investment income contributed by associates in which the Company held equity interest amounted to approximately RMB310,937,000, representing an increase of 17.13% as compared to that in 2013. Operating results of major companies in which the Group held equity investments are as follows:

Company name	Principal business	Investment Cost	Equity interest attributable to the Company	Net profit attributable to the Company	Share of investment income	Proportion of net profit attributable to the Company	Change over the previous year of 2013
		(RMB)	%	*(RMB)*	*(RMB)*	%	%
Suzhou Sujiahang Expressway Co., Ltd.	Management and operation of the Jiangsu Section of Sujiahang Expressway	526,090,677	33.33	349,034,210	116,333,102	4.39	26.93
Jiangsu Yangtze Bridge Co., Ltd.	Mainly engaged in the management and operation of Jiangyin Yangtze Bridge (Jiangyin section)	631,159,243	26.66	381,399,666	101,681,151	3.84	37.50
Jiangsu Yanjiang Expressway Co., Ltd	Mainly engaged in the management and operation of Yanjiang Expressway	1,466,200,000	28.96	303,545,050	97,921,906	3.70	–8.46

(V) Analysis of Core Competitiveness

The core business of the Group is the management and operation of transportation infrastructure. Our operations are located in one of the most thriving 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 Province, enabling the Group to obtain a predominant position in the expressway network in the southern Jiangsu area. Unique geographical advantage, quality network of assets and efficient operation system are distinct core competitive edges of the Group.

In 2014, vehicles along the region from Anhui to Sunan were gradually rerouted to Nanjing — Changzhou Expressway after the commencement of operation of Lima (溧馬) (Lishui to Ma'anshan) Expressway. As a result, the traffic volumes of passenger vehicles using the western portion of Shanghai-Nanjing Expressway, the core asset of the Group, recorded a slowdown in its year-on-year growth and the truck traffic volume significantly decreased for the Reporting Period. At present, Nanjing — Changzhou Expressway has become the major rerouting section of the western portion of Shanghai-Nanjing Expressway, giving rise to a negative impact on the overall performance of the traffic volumes and toll revenues of Shanghai-Nanjing Expressway in 2014. In order to eliminate the rerouting or diversion impact of parallel roads, the Group, during the Reporting Period, actively engaged in the acquisition of the roads in competition. In such regard, the Group could effectively control the traffic volumes of the roads within the Shanghai Nanjing corridor (滬寧通道), implement the effective integration of the assets of expressways within the region and enhance its dominating position within the expressway network of Sunan, thereby enabling further consolidation of the Group's core competitiveness.

(VI) Discussion and Analysis on Future Development

1. Macroscopic environmental change and development trend in the industry

In 2015, the economic development of China is about to shift towards the new normality, meaning that the domestic economy is entering into a stage of transformation after 30 years of high growth, and that the economic growth will be gradually achieved in more stable manner with diversified driving force for the growth; the prospect for development will be growing in a more stable and quality manner. Meanwhile, new macroscopic economic policy in adaption to the new normality will gradually be formed. In particular, substantive reforms in some aspects and the emergence of new industries will foster the vibrancy and dynamism of mid- to long-term development of the economy. Under such macroscopic environment, the Group's transformation and upgrading, and the rooms for expansion of development will become more favourable. More business opportunities will follow the development of our operations under the concept of "One Major Two Minors" (「一主兩輔」).

Although the economic growth is expected to slow down under the new normality, which affects the performance of the transportation need in particular that for cargo transportation, the demand for roads and transportation is still of substance during the slow-down of economic growth. Following the gradual improvement on the expressway network, the vehicle population in society (社會汽車保有量) continues to increase and the consumption of residents is being strengthened, the demand for passenger and cargo transportation by roads will gradually be released and the competitiveness of expressway transportation compared to that of other transportation means will also be enhanced. It is noteworthy that under the prevailing environment where the tourism industry is maintaining a rapid development and the courier logistics industry, as induced by e-commerce, is growing extremely fast, the traffic volumes of roads will maintain a certain dynamism for growth.

In recent years, toll road industry has continuously suffered from pressures and challenges brought by the change in or adjustment to policies. The State launched, one after another, the toll-free green passage for vehicles and toll-free travel for small passenger vehicles during major festive periods and holidays. As a result, a considerable degree of negative impact would be inflicted on the major operating revenues of an enterprise which engages in road business. In 2015, the toll-free policy is still under implementation. Although the amendment proposal regarding the "Regulation on the Administration of Toll Roads" (《收費公路管理條例》) has not yet been finalized, such may favour the long term, steady and healthy development of the industry, as reflected in the signal released from the opinions sought.

2. Analysis on the Group's Operation and Development

Following the transformation of the macroscopic economy as well as the modification to the industry structure, the development of the Group's business will face more challenges in the future. Given that Shanghai–Nanjing Expressway, the Company's core asset, was subject to traffic diversion of the west portion as well as gradual saturation in traffic volume of the east portion, slowdown in the growth of traffic volumes and toll revenue is expected to constitute a new normality. At the same time, there will be an increasing pressure on ensuring safe and unobstructed traffic under the era of mass transportation flow. Likewise, the requirements for the timeliness of the emergency plan of accident rescuing and for the informatization of daily operation and management become stricter. The Company is required to undergo an enhancement in the managerial and serving aspects.

In order to cope with the impact brought by the competition and diversion of parallel roads and to implement expansion of the scale of the principal business, the Group actively engaged in the merger and acquisition of the two projects, namely Nanjing-Changzhou Zhenli and Wuxi-Suzhou Expressway, in 2014, and completed the relevant procedures regarding the examination and approval in March 2015.

3. *Development Strategies and implementation of the Group*

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", with the support of the enhanced infrastructural operational as well as investment management capabilities, which facilitate the preliminary development of the distribution framework of "one core and two supports" of three sectors, and accordingly the laying of a solid foundation for mid- and long-term strategic transformation.

2014 is the critical year in which the Group implemented the "Twelfth Five-Year" planning for development. In order to successfully achieve various goals of the said implementation, the Group, pursuant to the strategic missions as stated therein, the performance indicators and the "Strategic Management Measures of the Company" (《公司戰略管理辦法》), prepared and issued the indicators for strategic performance at all levels and the plan for analyzing strategic missions for 2014, confirmed the target value for the annual strategic indicator for crucial performance and the key strategic missions, conducted analysis on the progress of the annual strategic analysis and implementation plan at the end of 2014, and actively facilitated the implementation of the Company's "Twelfth Five-Year" development strategy. For 2014, the Group's various work was steadily and orderly commenced and carried out. The strategic plan in respect of the four aspects, namely, financial aspect, customer aspect, internal operating aspect (including the three major business strategies, that is, enhancement of major business, business development and platform extension) and the aspect of learning and growth were smoothly completed. Furthermore, the Group also achieved a substantive progress regarding the development of its major business, corporate culture and team building.

As for the major business, the Group grasped the favourable opportunity brought about by the enhanced functional restructuring of road and bridge enterprises as well as the consolidation of resources, to actively operate and complete the merger and acquisition of Nanjing-Changzhou Zhenli and Wuxi-Suzhou Expressway in 2014. In addition, the construction of the new Changzhou-Jiaxing Expressway, as invested by the Group, was conducted in an orderly manner. The establishment of the project company regarding Zhenjiang-Danyang Expressway was completed. The Group also actively facilitated the preparatory works in advance of construction of the projects.

As for the development of auxiliary business, the development of property projects was implemented pursuant to the plan for 2014. The Group continued to grasp the optimal opportunity to increase its land reserves and obtained the land use right in respect of the plot at No.2, New City Commercial Core Zone, south of Nanjing (南京南部新城商業核心區內2號), marking a substantial step towards the development of commercial properties in the Nanjing area. The Company actively engaged in the joint project development with Luode Fund Management Company (洛德基金管理公司) in the establishment of private equity funds, in an attempt to explore a new mode of investment and development of commercial properties, which achieved some progress. At the same time, Jiangsu GCL Gas Co., Ltd. (協鑫寧滬天然氣有限公司), in which the Company maintained shareholding, steadily facilitated the construction of LNG gas station in the service area of Shanghai-Nanjing Expressway while the constructions of the gas stations in Yangcheng northern region, Meicun southern region and Xianrenshan southern region were basically completed.

4. Operational Plan

◇ Revenue Target

Based on the anticipated operating status and policy environment in 2015, the Board believes that the Group's operations will be subject to a certain degree of uncertainty. As the acquisition of Ningchangzhenli Expressway and Xiyi Expressway completed in 2014 will give rise to new revenue contributions, it is expected that the total revenue of the Company will exceed RMB9,000 million in 2015. In view of the increase in labor and other costs, as well as the increase in financial expenses of the new liabilities arising from project acquisitions, the targeted operating costs and relevant expenses have been strived to be controlled under the amount of RMB6,200 million.

◇ Plans and Measures

In order to ensure the profit target for 2014 can be achieved in order to well prepare for the future strategic development, the major measures of the Group in 2015 are as follows which are formulated according to the overall operational environment in 2015:

(1) **To actively plan for the Group's "Thirteenth Five-Year" Development Strategy.** 2015 is the final execution year for the Group's "Twelfth Five-Year" Development Strategy and is the year for planning for the "Thirteenth Five-Year" Development Strategy. The Group will carry out a complete summary and evaluation on the implementation of the specific strategic indicators during the "Twelfth Five-Year" period. The Group will accurately grasp the medium- to long-term trend regarding transformation of the social economy and the industry development, conduct an in-depth analysis of the change in the internal and external operating environment resulted from our entry into the new stage of development, make further amendment and improvement to the specific strategic indicators and development goals, and make preparations for active planning of the Group's "Thirteenth Five-Year" Development Strategy.

(2) **To actively seek opportunities for exploring and developing the major business of toll roads.** The Group will seize the opportunity for new development of consolidation of industry resources as a result of the reform of State-owned enterprises, will continue to be attended to and study the investment opportunity regarding the toll roads within the region and other transportation infrastructural aspects, will give full play to the function of the Company's financing platform and financial leverage, and will seek an appropriate chance for further consolidating and expanding the scale of the Group's major business.

(3) **To steadily facilitate the balanced development of the Group's diversified business.** The Group will speed up the development of real estate projects and increase the efforts in respect of sales, will actively give full effect of the two platforms of property business, namely Ninghu Properties (寧滬置業) and Luode Fund Management Company (洛德基金管理公司), will explore the operating mode for joint development of commercial properties with fund houses in the achievement of a healthy and continuous development of property business, and will continuously enhance the profit contribution of property business. As for the operation of the service areas, the Group will actively promote the reform on the management mechanism and the exploration and innovation of operation, and will try to implement branding, chained operation and other modes, for purposes of image enhancement of the service areas, improvement of functions and diversified operations.

(4) **To actively develop financing innovation and ensure fund needs.** The Group will pay close attention to any change in the fiscal policy and financing environment, will strengthen the application of the direct financing tool within the capital market, will continue to explore financing channels, will reduce the reliance on bank loans, and will provide sufficient capital protection for the sake of the Group's strategic development. It will also actively use the contemporary financing derivative tools, will optimize the structure of interest-bearing obligation, will implement reasonable restructuring for the new debts as a result of project acquisition, will effectively reduce the cost of financing and will give full play to the financial synergic effect.

(5) **To enhance road operation and management by informatization measures.** On the basis of the digitalization of the operation and management of expressways as well as the fact where the preliminary framework for informatization has been under normal implementation, the Group will accelerate the in-depth use of informatized construction projects, and will enhance the level of informatization in the context of managerial operation and road user servicing. With the help of the informatization measures, the Group will enhance its capability to maintain emergency roadside service without causing obstruction to traffic, will optimize and improve the dispatch system of operation commanding, will increase the efficiency regarding hindrance clear-up and emergency rescuing. Besides, it will further optimize the manner and channels of dissemination of information on public road conditions in order to facilitate road use with a greater degree of security and seamlessness. Meanwhile, pursuant to the requirements of the large-scale examination regarding the national road maintenance and management (全國公路養護管理大檢查的要求), the Group will facilitate an advanced promotion of all specific maintenance projects for the benefit of the upgrade of road condition maintenance quality.

(VII) 2014 Profit Distribution Scheme

In 2014, the Group realized an audited net profit attributable to the shareholders of the Company of approximately RMB2,574,754,000 and earnings per Share of approximately RMB0.511. Based on the total Share capital of the Company of 5,037,747,500 Shares, the Board has proposed to declare cash dividends of RMB0.38 per share (tax inclusive) in favor of all Shareholders. The aforementioned profit distribution scheme proposed by the Board will be submitted for consideration and approval at the 2014 annual general meeting. The exact date and procedures for the payment of final dividends will be announced separately.

III. 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 methods of the Company.

1. Changes in Accounting Policy

The Ministry of Finance promulgated/amended seven specific accounting principles at the beginning of 2014, including No.2, No.9, No.30, No.33, No. 39, No. 40 and No. 41 of the PRC Accounting Standards for Business Enterprises (the "**Accounting Standards**") and promulgated the guidelines for the application of the foregoing seven accounting standards in the third quarter of 2014. Being a listed company which concurrently issued A Shares and H Shares, the Company adopted No.2, No.9, No.30, No.33, No.39 and No.40 of the Accounting Standards in advance when preparing the financial statements for 2013, and adopted No.41 of the Accounting Standards in advance when preparing the financial statements for the first half of 2014, and further adopted the specific provisions of the guidelines for the application of the relevant accounting standards when preparing the financial statements for the third quarter of 2014, with corresponding changes made to the accounting policy. For details, please refer to the relevant content of the Company's 2013 Annual Reports, 2014 First Half-Year Financial Statement and the 2014 Third-Quarter Financial Statement. In June 2014, the Ministry of Finance amended No.37 — Presentation of Financial Instruments (金融工具列報) of the Accounting Standards and required all enterprises, to which the implementation of the Accounting Standards applies, to implement the same from 2014 onwards. When preparing the annual report for 2014, the Company adopted such accounting standard and made corresponding change to its accounting policy. Such change will have no material impact on the financial statements of the Group prepared for 2014.

2. *Changes in the Accounting Estimates*

Based on the facilitation of the progress of the Company's modernization and the assessment on the future use of the supplemental facilities of expressways, the Company's existing fixed-asset category can hardly satisfy the need of asset management. There are also changes to the expected service lifespans as well as residual values of fixed assets under certain categories. Upon approval by the 14th meeting of the Seventh Session of the Board on 25 April 2014, the Company adopted Prospective Application (未來適用法) with effect from 1 January 2014 to adjust the categorization of fixed assets, as well as their service lifes and residual values. The impact brought by the changes in the accounting estimates on the items under the accounting statement of the Reporting Period is as follows:

Unit: RMB

Influence in the items in the accounting statements	Consolidated financial statement	Financial statement of the Company
Decrease in fixed assets	30,341,865	27,181,946
Increase in operating costs	30,073,991	26,941,969
Increase in administrative expenses	267,874	239,977
Decrease in tax payable	7,585,466	6,795,486
Decrease in income tax	7,585,466	6,795,486
Decrease in profits attributable to the minority Shareholders	355,491	—
Decrease in equity interests of the minority Shareholders	355,491	—
Decrease in the net profit attributable to the Company	22,400,908	20,386,460
Decrease in the net assets attributable to the Company	22,400,908	20,386,460

The management of the Company is of the view that the abovementioned changes in the accounting estimates will not exert any material impact on the financial status and operating results of the Group.

4.2 There is no correction to material accounting errors for the Company in the Reporting Period.

4.3 Change in the scope of consolidation for the financial statements of the Company in the Reporting Period

During the Reporting Period, Ninghu Properties (a subsidiary of the Company) established a wholly-owned subsidiary Ninghu Properties (Suzhou) Company Limited (寧滬置業(蘇州)有限責任公司); and at the end of the reporting period, the Company established Zhendan Company, of which the Company holds 70% shareholding interest. The aforementioned newly established subsidiaries have been included in the scope of consolidation for the financial statements of the Group.

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 2014.

IV. 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 Shares by the Company or any of its subsidiaries; nor was there any person who 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 PRC and the Company's Articles of Association, the Company did not grant any pre-emption rights pursuant to which the Company was required to offer new Shares to existing Shareholders in proportion to their shareholdings.

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 Shares as at the latest practicable date prior to the publication of this report 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 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 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 publication date of this report, the Board has reviewed the daily governance behavior in compliance with the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules (the "**Corporate Governance Code**"), and is of the view that the Company 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 reviewed and confirmed, that the annual report and its summary, and the relevant financial information for the year ended 31 December 2014 are prepared under the Accounting Standards, in respect of which Deloitte Touche Tohmatsu Certified Public Accountants LLP issued an auditors' report with standard unqualified opinion.

7. **The Audit Committee of the Company reviewed and confirmed, that the annual report and its summary, and the relevant financial information for the year ended 31 December 2014 were prepared under the PRC Accounting Standards for Business Enterprises, in respect of which Deloitte Touche Tohmatsu Certified Public Accountants LLP issued an auditors' report with standard unqualified opinion.**

Description of the events	**Inquiry Index**
In order to expand the scale of the Group's major business of toll road, eliminate the impact of diversion brought by Nanjing-Changzhou Expressway (the parallel road) on the portion west of Wuxi of Shanghai-Nanjing Expressway and enhance the economies of scale of the management of Guang Jing Cheng Company (廣靖錫澄公司), the Company, during the Reporting Period, actively engaged in the merger and acquisition of the two projects, namely Nanjing-Changzhou Zhenli and Wuxi-Suzhou Expressway. On 30 December 2014, it was considered and approved at the 17th Meeting of the Seventh Session of the Board that the Company might acquire 100% equity shares of Ning Chang Zhen Li Company (寧常鎮溧公司) in cash of RMB502 million and inherited all of its interest-bearing obligations, as consideration through a debt-to-equity conversion, and that the subsidiary Guang Jing Cheng Company (廣靖錫澄公司) acquired 100% equity shares of Xiyi Company (錫宜公司) in cash of RMB662 million and conducted the merger and acquisition of such two assets regarding Xiyi Company. On 12 March 2015, such was considered and approved at the first extraordinary Shareholders' meeting in 2015. At present, the procedures for relevant changes in the registration of industry and commerce are being completed.	For the details related to this transaction and the relevant approval, please refer to the announcement of the connected transactions published by the Company on 31 December 2014 on the website of Shanghai Stock Exchange: www.sse.com.cn and the website of Hong Kong Stock Exchange: www.hkexnews.hk and the announcement of the resolution of the Shareholders' meeting published by the Company on 13 March 2015.

On 20 March 2014, the Company received the commitment letter from Jiangsu Communications Holdings Co. Ltd., the major Shareholder. It reads in the said letter that Jiangsu Communications Holdings Co. Ltd. shall pay the Company such compensation, on behalf of the government, in accordance with the net asset value of toll operating right corresponding to the stops and points removed as audited and confirmed by a qualified third party, and the specific compensation shall be paid in cash. Such letter has properly settled the issue of economic compensation regarding the removal of two stops and two points along the Huning Section of G312 National Expressway.

For the details, please refer to the interim announcement published by the Company on 24 March 2015 on the website of Shanghai Stock Exchange: www.sse.com.cn and the website of Hong Kong Stock Exchange: www.hkexnews.hk.

V. FINANCIAL STATEMENT (PREPARED UNDER THE PRC ACCOUNTING STANDARDS)

Consolidated balance sheet
As at 31 December 2014

RMB: '000

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	**598,250,453**	409,176,746
Financial assets at fair value through profit or loss	**38,951,822**	20,175,395
Notes receivable	**2,518,000**	149,843
Accounts receivable	**96,125,706**	51,443,626
Prepayments	**266,019,037**	21,028,742
Dividends receivables	**4,989,960**	4,989,960
Other receivables	**1,222,165,660**	1,227,304,888
Inventories	**3,091,145,953**	2,844,577,736
Other current assets	**231,636,482**	175,082,464
Total current assets	**5,551,803,073**	4,753,929,400
Non-current assets:		
Available-for-sale financial assets	**1,290,725,956**	1,290,725,956
Long-term equity investments	**4,174,591,269**	3,787,359,931
Investment properties	**34,284,836**	35,415,146
Fixed assets	**1,186,446,387**	1,099,548,420
Construction in progress	**258,800,371**	127,708,416
Intangible assets	**14,891,986,430**	15,721,750,642
Long-term prepaid expenses	**6,418,189**	1,166,864
Deferred tax assets	**49,806,472**	16,307,595
Total non-current assets	**21,893,059,910**	22,079,982,970
Total assets	**27,444,862,983**	26,833,912,370

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	**3,360,000,000**	3,220,000,000
Accounts payable	**722,077,597**	371,663,489
Receipts in advance	**375,331,463**	412,906,626
Employee benefits payable	**1,193,900**	902,085
Taxes payable	**95,517,945**	155,966,927
Interest payable	**77,354,767**	71,283,765
Dividends payable	**68,678,625**	62,903,610
Other current liabilities	**41,647,376**	174,955,870
Non-current liabilities due within one year	**500,826,457**	1,510,574
Other current liabilities	**500,000,000**	1,000,000,000
Total current liabilities	**5,742,628,130**	5,472,092,946
Non- current liabilities:		
Long-term borrowings	**269,708,646**	271,148,039
Bonds payable	**494,603,286**	991,074,397
Deferred tax liabilities	**1,275,048**	1,369,249
Total non-current liabilities	**765,586,980**	1,263,591,685
Total liabilities	**6,508,215,110**	6,735,684,631
Shareholders' equity:		
Share capital	**5,037,747,500**	5,037,747,500
Capital reserve	**7,481,967,841**	7,483,554,188
Other comprehensive income	**188,889,048**	95,858,321
Surplus reserve	**2,927,043,693**	2,833,298,081
Retained profits	**4,712,690,449**	4,146,025,799

Item	Closing balance	Opening balance
Total shareholders' equity attributable to equity holders of the company	**20,348,338,531**	19,596,483,889
Minority interests	**588,309,342**	501,743,850
Total shareholders' equity	**20,936,647,873**	20,098,227,739
Total liabilities and shareholders' equity	**27,444,862,983**	26,833,912,370

Legal representative:	*Chief Accountant:*	*Person in Charge of Accounting Body:*
Qian Yong Xiang	**Yu Lan Ying**	**Ren Zhuo Hua**

Consolidated income statement

for the year ended 31 December 2014

Unit: RMB '000

Item	Amount of current year	Amount of the prior year
I. Total operating income	**7,879,076,285**	7,614,226,717
Including: operating income	**7,879,076,285**	7,614,226,717
Less: Total operating costs	**4,767,168,271**	4,374,573,648
Including: operating costs	**4,020,311,735**	3,694,143,781
Business taxes and levies	**240,825,572**	202,171,162
Selling expenses	**13,806,381**	9,832,355
Administrative expenses	**179,857,348**	176,140,246
Financial expenses	**312,417,868**	292,786,104
Impairment losses	**(50,633)**	(500,000)
Add: Gains from changes in fair value	**3,066,189**	2,109,937
Investment income	**352,287,304**	315,399,461
Including: Income from investment in associates and jointly controlled enterprises	**310,937,218**	265,462,186

Item	Amount of current year	Amount of the prior year
II. Operating profit	**3,467,261,507**	3,557,162,467
Add: Non-operating income	**20,779,594**	102,541,001
Including: Gains from disposal of non-current assets	**5,054,693**	90,210,095
Less: Non-operating expenses	**33,021,065**	32,206,354
Including: Losses from disposal of non-current assets	**6,759,257**	9,048,053
III. Total profit	**3,455,020,036**	3,627,497,114
Less: Income tax expense	**807,730,902**	851,870,234
IV. Net profit	**2,647,289,134**	2,775,626,880
Including: Net profit attributable to owners of the Company	**2,574,754,312**	2,707,743,147
Profit or loss attributable to minority interests	**72,534,822**	67,883,733
V. Net amount of other comprehensive income items (net of taxes)	**93,030,727**	14,452,952
Net amount of other comprehensive income items attributable to owners of the Company (net of taxes)	**93,030,727**	14,452,952
(I) Other comprehensive income that cannot be reclassified into profit and loss in future periods	**—**	—
(II) Other comprehensive income that will be reclassified into profit and loss in future periods	**93,030,727**	14,452,952

Item	**Amount of current year**	Amount of the prior year
1. Share of other comprehensive income of investees that will be reclassified into profit and loss in future periods under the equity method	**93,030,727**	14,452,952
Other comprehensive income attributable to minority interests (net of taxes)	**—**	—
VI. Total comprehensive income	**2,740,319,861**	2,790,079,832
Total comprehensive income attributable to owners of the Company	**2,667,785,039**	2,722,196,099
Total comprehensive income attributable to minority interests	**72,534,822**	67,883,733
VII. Earnings per share		
(I) Basic earnings per share	**0.5111**	0.5375
(II) Diluted earnings per share	**N/A**	N/A

Legal representative:	*Chief Accountant:*	*Person in Charge of Accounting Body:*
Qian Yong Xiang	**Yu Lan Ying**	**Ren Zhuo Hua**

VII. SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENT:

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 operations	**7,579,636,948**	**3,806,603,711**	7,495,067,780	3,648,835,094
Including: Shanghai-Nanjing Expressway	**4,490,913,228**	**1,107,253,412**	4,521,752,601	1,085,364,846
312 National Highway	**53,001,537**	**276,893,764**	53,434,572	200,674,284
Guangjing Xicheng Expressway	**798,365,574**	**233,208,883**	733,053,058	244,875,293
Nanjing-Lianyungang Highway	**29,941,035**	**15,548,066**	36,689,037	18,031,586
Ancillary services	**2,207,415,574**	**2,173,699,586**	2,150,138,512	2,099,889,085
Real estate development	**253,556,650**	**197,100,033**	75,200,074	29,507,771
Advertising and others	**45,882,687**	**16,607,991**	43,958,863	15,800,916
Total	**7,879,076,285**	**4,020,311,735**	7,614,226,717	3,694,143,781

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	**833,617,723**	847,645,369
Adjustments to deferred tax	**(33,593,078)**	(2,739,378)
Less (Over) provision of prior years' tax	**7,706,257**	6,964,243
Total	**807,730,902**	851,870,234

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/loss	**3,455,020,036**	3,627,497,114
Income tax expenses calculated at 25% (prior year: 25%)	**863,755,009**	906,874,278
Effect of expenses that are not deductible for tax purposes	**22,391,441**	12,265,538
Effect of expenses that are not deductible for tax purposes	**(86,121,805)**	(74,233,825)
Less (Over) provision of prior years' tax	**7,706,257**	6,964,243
Total	**807,730,902**	851,870,234

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)	**510,551,356**	462,856,329
Retirement benefits scheme contributions	**74,562,024**	68,920,417
Total staff costs	**585,113,380**	531,776,746
Audit fee	**3,488,850**	2,780,000
Depreciation and amortization (Included in operating costs and administrative expenses)	**930,831,143**	901,619,161
Losses (gains) on disposal of non-current assets	**1,704,564**	–81,162,042
Amortization of land use rights (Included in operating costs and administrative expenses)	**63,184,147**	63,532,964
Cost of inventories recognised as an expense	**2,193,225,169**	1,950,222,413

4. Breakdown of non-recurring profit or loss

Unit: RMB

Item	Amount
Losses (gains) on disposal of non-current assets	1,704,564
Government grants through current profit or loss	(7,370,000)
Losses (gains) from changes in fair values of held-for-trading financial assets and investment income on disposal of held-for-trading financial assets and available-for-sale financial assets	(10,866,275)
Reversal of provision for accounts receivable which were tested for impairment losses individually	(50,633)
Other net non-operating income or expenses other than the above	17,906,907
Income tax effect	(331,141)
Minority interests effect	(246,977)
Total	746,445

5. Average return on net assets and earnings per share

This table of the calculation of the average return on net assets and earnings per share was prepared by Jiangsu Expressway Company Limited under the relevant requirements of "No. 9 Document of Regulation and Information Disclosure for Public Companies — Calculation and Disclosure of Average Return on Net Assets and Earnings Per Share" issued by the CSRC (Amendment in 2010).

Profit of the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders	13.21%	0.5111	N/A
Net profit attributable to ordinary shareholders after non-recurring profit or loss	13.21%	0.5112	N/A

Note: As at 31 December 2014, there was no dilutive item in the Group.

6. Current assets and current liabilities

6.1 Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable that are individually significant and of which bad debt provision has been assessed individually	–	–	–	–	–	–	–	–	–	–
Accounts receivable for which bad debt provision has been assessed by credit risk featured portfolios	**96,309,566**	**100**	**183,860**	**100**	**96,125,706**	51,443,626	100	–	–	51,443,626
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	–	–	–	–	–	–	–	–	–	–
Total	**96,309,566**	**100**	**183,860**	**100**	**96,125,706**	51,443,626	100	–	–	51,443,626

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.

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

Unit: RMB

	Closing balance				Opening balance			
Aging	**Amount**	**Proportion** *(%)*	**Bad debt provision**	**Carrying amount**	Amount	Proportion *(%)*	Bad debt provision	Carrying amount
Within 1 year	**96,309,566**	**100**	**183,860**	**96,125,706**	51,443,626	100	—	51,443,626
More than 1 year but not exceed 2 years	**—**	**—**	**—**	**—**	—	—	—	—
More than 2 years but not exceeding 3 years	**—**	**—**	**—**	**—**	—	—	—	—
More than 3 years	**—**	**—**	**—**	**—**	—	—	—	—
Total	**96,309,566**	**100**	**183,860**	**96,125,706**	51,443,626	100	—	51,443,626

6.2 Other receivables

(1) Disclosure of accounts receivable by categories:

Unit: RMB

Category	Closing balance Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Carrying value	Opening balance Carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Carrying value
Other receivable that are individually significant and for which bad debt provision has been assessed individually	**15,812,140**	**1**	**15,812,140**	**99**	—	15,812,140	1	15,812,140	99	—
Other receivable for which bad debt provision has been assessed by credit risk characteristic portfolio	**1,222,314,096**	**99**	**148,436**	**1**	1,222,165,660	1,227,687,817	99	382,929	1	1,227,304,888
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	**—**	**—**	**—**	**—**	—	—	—	—	—	—
Total	**1,238,126,236**	**100**	**15,960,576**	**100**	1,222,165,660	1,243,499,957	100	16,195,069	100	1,227,304,888

(2) Other receivables were disclosed by nature as follows

Unit: RMB

Nature	Closing carrying amount	Opening carrying amount
Amount of the disposal of the removal of network points of 312 National Highway	**1,124,177,798**	1,124,177,798
Amount of the disposal of Zhenjiang branch line	**74,033,640**	84,033,640
Amount of investment clearance	**15,812,140**	15,812,140
Pre-borrowings for engineering	**5,000,000**	—
Petty Cash	**3,780,500**	3,667,500
Landlord maintenance funds	**3,507,153**	67,661
Deposits for engineering	**1,600,000**	1,600,000
Compensation for road assets	**1,136,737**	1,318,234
Other insignificant amounts	**9,078,268**	12,822,984
Total	**1,238,126,236**	1,243,499,957

(3) The five largest other receivables based on the closing balance of collected from the debtors

Unit: RMB

Name of debtor	Nature	Closing amount	Aging	Share of the total amount of other receivables ion (%)	Closing balance of bad debt provisions
Jiangsu Provincial Government	Amount of the disposal of the removal of network points of 312 National Highway	**1,124,177,798**	2-3 years	91	—
Zhenjiang Transport Investment Construction Development Company (鎮江市交通投資建設有限公司)	Amount of the disposal of Zhenjiang branch line	**74,033,640**	1-2 years	6	—
Yicao Highway(宜漕公路)	Amount of investment clearance	**15,812,140**	More than 3 years	1	15,812,140
Transportation Bureau of JingjiangCity (靖江市交通運輸局)	Pre-borrowings	**5,000,000**	Within 1 year	—	—
Jiangsu Zhengxinhe Communication Development Co., Ltd. (江蘇正欣和通信發展有限公司)	Leasing business	**2,928,000**	Within 1 year	—	—
Total		**1,221,951,578**		98	15,812,140

(4) Other explanation

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 according 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. As at 31 December 2014, the Company has not received the amount. The Company has received the commitment letter from Jiangsu Communications Holdings Limited (江蘇交通控股有限公司) in March 2015, pursuant to which Jiangsu Communications Holdings Limited agreed to compensate the total said amount on behalf of the government by cash.

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 year of 2013. Zhenjiang Government signed the "Shanghai-Nanjing Expressway (Jiangsu section) Zhenjiang branch transfer contract" and "Shanghai-Nanjing Expressway (Jiangsu section) Zhenjiang branch transfer contract payment agreement" with the Company. As at 31 December 2014, the outstanding amount of the disposal of Zhenjiang branch line of RMB 74,033,640 has not been received. Such amount has been received completely prior to the execution date of this financial statement.

6.3 Prepayments

(1) Aging analysis of prepayments is as follows

Unit: RMB

Aging	Closing balance amount Amount	Proportion (%)	Opening balance amount Amount	Proportion (%)
Within 1 year	**265,992,752**	**100**	16,157,355	77
1-2 years	**24,285**	**—**	4,871,387	23
2-3 years	**2,000**	**—**	—	—
Total	**266,019,037**	**100**	21,028,742	100

6.4 Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Construction payable	**192,626,824**	34,500,404
Construction payable for real estate project	**419,373,209**	291,549,972
Purchase of petroleum payable	**16,303,907**	23,444,457
Toll road fee payable	**50,512,118**	19,486,421
Deposit payable	**5,421,500**	—
Others	**37,840,039**	2,682,235
Total	**722,077,597**	371,663,489

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

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year	**666,716,476**	253,944,705
1-2 years	**32,552,607**	56,854,497
2-3 years	**378,600**	26,363,883
More than 3 years	**22,429,914**	34,500,404
Total	**722,077,597**	371,663,489

6.5 Receipts in advance

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

Unit: RMB

Item	Closing balance	Opening balance
Rental deposit received in advance	**8,192,294**	4,274,926
Advertising service fee received in advance	**11,235,740**	11,598,617
Income from properties for sales received in advance	**355,809,531**	396,937,132
Others	**93,898**	95,951
Total	**375,331,463**	412,906,626

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

Unit: RMB

Aging	Closing balance		Opening balance	
	Unit: RMB	**%**	*Unit: RMB*	%
Within 1 year	**130,997,159**	**35**	412,826,626	100
1-2 years	**244,254,304**	**65**	—	—
2-3 years	**—**	**—**	—	—
More than 3 years	**80,000**	**—**	80,000	—
Total	**375,331,463**	**100**	412,906,626	100

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

Unit: RMB

Item	Opening balance	**Closing balance**	**Completion/ Expected completion date**	**Proportion of advance sale** *(%)*
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	3,796,431	**694,454**	August 2012	97
Huaqiao Urban Core B4 Guangmingjiezuo Project	244,061,647	**333,305,818**	June 2015	82
Baohua Hongyan Community B Tongchengshijia Project	149,079,054	**21,809,259**	June 2016	70
Total	396,937,132	**355,809,531**		

6.6 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	**957,226**	117,688,410
Payable of daily procurement in service area	**9,119,457**	18,034,615
Amount of ETC prepaid cards collected on behalf of the inter-network settlement center	**11,413,235**	5,224,694
Amount of the noise barrier construction projects collected on other's behalf	**631,565**	5,321,580
Earnest money of acquisition of properties	**2,322,195**	520,000
Others	**7,203,698**	18,166,571
Total	**41,647,376**	174,955,870

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

Unit: RMB

Item	Closing balance	Reason of not being settled or being carried-over
312 toll road operation right acquisition costs payable	**10,000,000**	not yet settled

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

Unit: RMB

	Closing balance	Opening balance
Current assets	**5,551,803,073**	4,753,929,400
Total assets	**27,444,862,983**	26,833,912,370
Less: current liabilities	**5,742,628,130**	5,472,092,946
Net current liabilities	**(190,825,057)**	(718,163,546)
Total assets less current liabilities	**21,702,234,853**	21,361,819,424

8. 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 (including gas station, catering and retail business in service zones of highway), 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.

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

	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	4,490,913,228	4,521,752,601	53,001,537	53,434,572	29,941,035	36,689,037	798,365,574	733,053,058	2,207,415,574	2,150,138,512	253,556,650	75,200,074	45,882,687	43,958,863	–	–	7,879,076,285	7,614,226,717
Operating costs	1,107,253,412	1,085,364,846	276,893,764	200,674,284	15,548,066	18,031,586	233,208,883	244,875,293	2,173,699,586	2,099,889,085	197,100,033	29,507,771	16,607,991	15,800,916	–	–	4,020,311,735	3,694,143,781
Including: Amortization of toll roads operation rights	446,923,194	505,428,880	202,176,202	98,437,410	10,458,090	11,787,675	84,727,005	115,364,098	–	–	–	–	–	–	–		744,284,491	731,018,063
Costs of petrol and other goods sold in service zones	–	–	–	–	–	–	–	–	1,910,836,085	1,866,535,861	–	–	–	–	–	–	1,910,836,085	1,866,535,861
Segment operating profit (loss)	3,383,659,816	3,436,387,755	(223,892,227)	(147,239,712)	14,392,969	18,657,451	565,156,691	488,177,765	33,715,988	50,249,427	56,456,617	45,692,303	29,274,696	28,157,947	–	–	3,858,764,550	3,920,082,936
Reconciling items:																		
Business taxes and levies	150,894,684	151,930,887	2,968,086	2,992,336	1,006,019	1,232,752	26,825,083	24,630,583	17,191,562	12,454,538	40,257,500	7,448,309	1,682,638	1,481,757	–	–	240,825,572	202,171,162
Selling expenses	–	–	–	–	–	–	–	–	–	–	13,515,064	9,257,966	291,317	574,389	–	–	13,806,381	9,832,355
Administrative expenses	61,472,819	61,821,636	–	–	–	–	–	–	–	–	–	–	–	–	118,384,529	114,318,610	179,857,348	176,140,246
Financial expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	312,417,868	292,786,104	312,417,868	292,786,104
Impairment loss of assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(50,633)	(500,000)	(50,633)	(500,000)
Gains from changes in fair values	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,066,189	2,109,937	3,066,189	2,109,937
Investment income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	352,287,304	315,399,461	352,287,304	315,399,461
Operating profit	3,171,292,313	3,222,635,232	(226,860,313)	(150,232,048)	13,386,950	17,424,699	538,331,608	463,547,182	16,524,426	37,794,889	2,684,053	28,986,028	27,300,741	26,101,801	(75,398,271)	(89,095,316)	3,467,261,507	3,557,162,467
Non-operating income	–	88,763,909	–	–	–	–	–	–	–	–	–	–	–	–	20,779,594	13,777,092	20,779,594	102,541,001
Non-operating expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	33,021,065	32,206,354	33,021,065	32,206,354
Total profit	3,171,292,313	3,311,399,141	(226,860,313)	(150,232,048)	13,386,950	17,424,699	538,331,608	463,547,182	16,524,426	37,794,889	2,684,053	28,986,028	27,300,741	26,101,801	(87,639,742)	(107,524,578)	3,455,020,036	3,627,497,114
Income tax expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	807,730,902	851,870,234	807,730,902	851,870,234
Net profit	3,171,292,313	3,311,399,141	(226,860,313)	(150,232,048)	13,386,950	17,424,699	538,331,608	463,547,182	16,524,426	37,794,889	2,684,053	28,986,028	27,300,741	26,101,801	(895,370,644)	(959,394,812)	2,647,289,134	2,775,626,880
Total segment assets	12,936,817,529	13,414,938,917	945,091,991	1,154,032,069	305,612,946	316,071,035	1,479,048,828	1,530,754,150	346,717,468	339,536,057	3,322,482,081	2,924,629,699	378,064,801	324,506,444	7,731,027,339	6,829,443,999	27,444,862,983	26,833,912,370
Total segment liabilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6,508,215,110	6,735,684,631	6,508,215,110	6,735,684,631
Supplementary information:																		
Depreciation and amortization	643,211,975	676,570,398	205,481,212	101,543,082	10,458,090	11,787,675	101,857,362	137,745,003	19,293,020	20,556,577	1,562,868	1,121,296	6,348,551	8,001,308	11,143,899	7,826,786	999,356,977	965,152,125
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4,993,442	7,051,553	4,993,442	7,051,553
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–	–	–	300,586,671	288,687,856	300,586,671	288,687,856
Investment income from long-term equity investment under equity method	–	–	–	–	–	–	–	–	–	–	–	–	–	–	310,937,218	265,462,187	310,937,218	265,462,187
Non-current assets other than long-term equity investments	12,936,817,529	13,414,938,917	945,091,991	1,154,032,069	305,612,946	316,071,035	1,477,631,441	1,530,754,150	346,717,468	339,536,057	8,850,456	10,864,348	67,703,672	61,305,961	1,630,043,138	1,465,120,502	17,718,468,641	18,292,623,039
Capital expenditure	264,879,685	180,975,184	497,823	1,927,429	–	–	68,776,640	37,568,460	25,913,613	9,528,545	1,876,712	2,511,098	6,899,854	5,545,522	–	2,785,877	368,844,327	240,842,115
Incl.: Expenditure arising from construction in progress	227,633,364	149,714,671	–	–	–	–	48,305,063	23,719,388	25,913,613	3,862,701	–	–	6,899,854	4,614,581	–	2,785,877	308,751,894	184,697,218
Expenditure arising from purchase of fixed assets	37,246,321	31,260,513	497,823	1,927,429	–	–	20,471,577	13,849,072	–	5,665,844	1,876,712	2,511,098	–	930,941	–	–	60,092,433	56,144,897
Expenditure arising from purchase of intangible asset	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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.

(3) Revenue from external customers (by geographical regions of source of income) and non-current assets (by geographical regions of assets)

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

(4) 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.

Director and General Manager: **Mr. Qian Yong Xiang**
Jiangsu Expressway Company Limited

27 March 2015

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

Qian Yong Xiang, Zhang Yang, Chen Xiang Hui, Du Wen Yi, Cheng Chang Yung Tsung, Alice, Fang Hung, Kenneth, Zhang Er Zhen, Xu Chang Xin*, Gao Bo* and Chen Dong Hua**

* *Independent Non-executive Directors*