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)

2015 ANNUAL RESULTS PRELIMINARY ANNOUNCEMENT

The content in this announcement is made pursuant to the requirements set out in Rule 13.49(6) and paragraph 45 in Appendix 16 of the Listing Rules.

I. IMPORTANT NOTICE

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

The contents of this announcement are extracted from the full text of the annual report, which will be 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 All Directors of the Company attended the Board meeting.

1.3 Deloitte Touche Tohmatsu Certified Public Accountants LLP issued standard unqualified auditor's report for the Company. The annual financial statements of the Company were prepared in accordance with the PRC Accounting Standards and also were complied with the disclosure requirements under the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

1.4 The Reporting Period represents the year from 1 January 2015 to 31 December 2015.

1.5 Company profile

Stock Abbreviation	寧滬高速(A share)	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

	Secretary to the Board	Representatives of Securities Affairs
Name	Yao Yong Jia	Jiang Tao and Lou Qing
Telephone Number	8625-8446 9332	8625-84362700-301835, 301836
Fax Number	8625-8446 6643	
E-mail Address	nhgs@jsexpressway.com	

II. PROFIT DISTRIBUTION PLAN

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of approximately RMB2.507 billion. The Board proposed to declare final dividends of RMB0.4 per share (tax inclusive) (the final dividends of RMB0.38 per share (tax inclusive) was declared for the year 2014) in favour of the shareholders based on the total share capital of the Company of 5,037,747,500 shares, representing 80.39% of the net profit attributable to the shareholders of the Company for the Reporting Period. The Company did not implement conversion of surplus reserve into share capital during the Reporting Period.

III. PRINCIPAL BUSINESSES AND PRODUCTION OVERVIEWS DURING THE REPORTING PERIOD

The Company is principally engaged in investment, construction, operation and management of Jiangsu Section of Shanghai-Nanjing Expressway (the "**Shanghai-Nanjing Expressway**") and other toll highways within the Jiangsu Province owned or invested by the Group. It also develops passenger transportation and other ancillary services along these highways (including refueling, catering, retailing, advertising and accommodation, and so forth).

During the Reporting Period, the Company acquired 100% equity interests of Ningchang Zhenli Expressway Company Limited (the "**Ningchang Zhenli Company**") and Jiangsu Guangjing Xicheng Expressway Company Limited (the "**Guangjing Xicheng Company**"), a subsidiary of the Company, acquired 100% equity interests of Jiangsu Xiyi Expressway Company Limited (the "**Xiyi Company**") and conducted merger of Xiyi Company. The aforesaid acquisitions have been completed during the Reporting Period, following which Ningchang Zhenli Company has became a wholly-owned subsidiary of the Company and Xiyi Company has been merged into Guangjing Xicheng Company. As a result, the scope of the combined financial statements of the Group has been changed during the Reporting Period. Meanwhile, the size and structure of the Company's assets have changed resulting from the early termination of toll road concession rights to Nanjing-Shanghai section of G312 ("**G312 Shanghai-Nanjing Section**") as at 16 September 2015 pursuant to requirements by Jiangsu provincial government.

As at 31 December 2015, the highway mileage owned or invested by the Company exceeded 820 kilometers, and the total assets amounted to approximately RMB36.476 billion. The Company is one of the PRC's largest listed companies in the toll road industry in terms of total assets.

IV. SUMMARY OF MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB

	At the end of Reporting Period	At the end of 2014		Increase/decrease at the end of this Reporting Period as compared with the same period of previous year *(%)*	At the end of 2013
		After adjustment	Before adjustment		
Total assets	**36,476,039,663**	37,481,216,616	27,444,862,983	-2.68	26,833,912,370
Operating revenue	**8,761,321,186**	8,830,860,795	7,879,076,285	-0.79	7,614,226,717
Net profit attributable to equity holders of the Company	**2,506,629,408**	2,227,907,831	2,574,754,312	12.51	2,707,743,147
Net profit attributable to equity holders of the Company after non-recurring profit/loss	**2,692,979,266**	2,228,136,341	2,575,500,757	20.86	2,648,402,925
Net assets attributable to equity holders of the Company	**20,476,159,276**	21,015,980,062	20,348,338,531	-2.57	19,596,483,889
Net cash flow from operating activities	**4,475,893,125**	3,741,645,416	3,092,012,620	19.62	3,084,162,160
Total share capital at the end of the period	**5,037,747,500**	5,037,747,500	5,037,747,500	–	5,037,747,500
Basic earnings per share *(RMB/share)*	**0.4976**	0.4422	0.511	12.53	0.538
Diluted earnings per share *(RMB/share)*	**Not applicable**	Not applicable	Not applicable	Not applicable	Not applicable
Weighted average return on net assets *(%)*	**12.45**	10.96	13.21	An increase of 1.49 percentage points	14.49

Explanation on the Company's major accounting data and financial indicators as at the end of the Reporting Period:

During the Reporting Period, the Company acquired 100% equity interests of Ningchang Zhenli Company for a cash consideration of RMB502 million and inherited all of its interest-bearing liabilities, through a debt-to-equity conversion, and Guangjing Xicheng Company, a subsidiary of the Company, acquired 100% equity interests of Xiyi Company for a cash consideration of RMB662 million and conducted the merger and acquisition of Xiyi Company. The two acquisitions have been completed during the Reporting Period. Ningchang Zhenli Company has become a wholly-owned subsidiary of the Company and Xiyi Company has been merged into Guangjing Xicheng Company, and as a result there is change in the scope of the combined financial statements of the Group during the Reporting Period.

As the Company, Ningchang Zhenli Company and Xiyi Company were ultimately controlled by Jiangsu Communications Holding Company Limited (the "**Communications Holding**") before and after the acquisitions, the above acquisitions were therefore a business combination under common control, which were accounted for using the accounting treatment of business combinations under common control in accordance with Accounting Standards for Business Enterprise No. 20 – Business Combinations issued by the Ministry of Finance of the PRC. In the financial report, restatements are made to the opening balance and figures for the corresponding period of last year according to relevant requirements.

V. PRINCIPAL FINANCIAL DATA FOR 2015 BY QUARTERS

Unit: Yuan Currency: RMB

	First quarter (January-March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operating revenue	1,987,349,352	2,323,317,656	2,345,764,978	2,104,889,200
Net profit attributable to equity holders of the Company	656,408,147	1,070,291,618	740,409,461	39,520,182
Net profit attributable to equity holders of the Company after non-recurring profit/loss	702,702,108	761,047,722	728,495,471	500,733,965
Net cash flow from operating activities	944,339,418	1,128,316,046	1,136,565,723	1,266,671,938

VI. SHARE CAPITAL AND SHAREHOLDERS

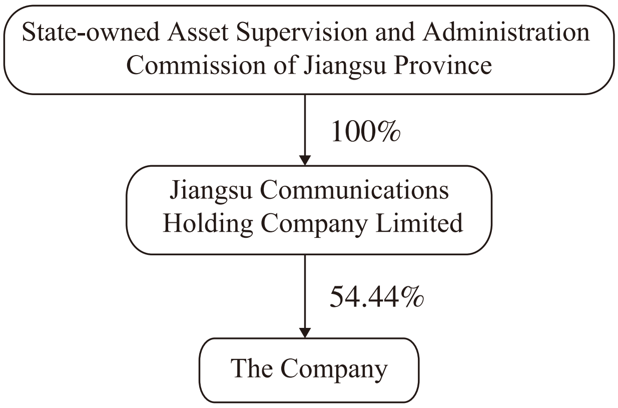
6.1 Shareholders of ordinary shares and shareholding of the top ten shareholders

Total number of shareholders at the end of the Reporting Period	29,447	Total number of shareholders of ordinary shares as at the end of previous month before the date of disclosure of this announcement	29,198

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 Holding Company Limited.	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
Mondrian Investment Paetners Limited	Foreign legal person	2.36	119,138,000	0	Unknown
BlackRock, Inc.	Foreign legal person	1.93	97,408,423	0	Unknown
JPMorgan Chase & Co.	Foreign legal person	1.7	85,523,023	0	Unknown
Commonwealth Bank of Australia	Foreign legal person	1.41	71,211,970	0	Unknown
Columbia Wanger Asset Management, L.P.	Foreign legal person	1.27	63,878,000	0	Unknown
Morgan Stanley Investment Management Inc. – Morgan Stanley China A Share Fund	Other	0.85	42,710,200	0	Unknown
Jiantou Zhongxin Asset Management Co., Ltd.	Other	0.43	21,410,000	0	Unknown
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.41	20,334,964	0	Unknown
Connected relationship among the abovementioned shareholders or any party acting in concert	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.				

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



VII MANAGEMENT DISCUSSION AND ANALYSIS

7.1 Business Review

During the Reporting Period, the Group actively adapted to the development requirements under the new situation, focusing on the core tasks; with the joint efforts of the management and all staff, the progress of each business had been actively promoted in a down-to-earth manner and the Twelfth Five-Year plan had been completed satisfactorily.

To achieve the Twelfth Five-Year plan of the Company, during the Reporting Period, as for the development of major business, the Company completed the acquisition of 100% equity interest in Ningchang Zhenli Company and Guangjing Xicheng Company's merger of Xiyi Company, established Jiangsu Zhendan Expressway Company Limited (the "**Zhendan Expressway**") and launched the preliminary construction work, completed the preliminary decision of the investment of the construction of Changzhou-Yixing Expressway (the "**Changyi Expressway**") and further expanded the major business. Meanwhile, the toll road concession rights of G312 Shanghai-Nanjing Section was early terminated, further optimized the asset structure. As for the development of auxiliary business, property sales and development of Jiangsu Ninghu Properties Co., Ltd. (the "**Ninghu Properties**") were advanced in a timely manner, the development and sales went well during the Reporting Period; with the Company and Deshi Fund jointly made capital contribution and established a project company, the cooperative development of Lot. No. 2 South Station New Town to the south of Nanjing South Railway Station were carried out as planned; the service areas of Yangcheng Lake and Meicun of our non-wholly owned subsidiary Jiangsu Xiexin Gas Co., Ltd. (the "**Jiangsu Xiexin Gas**") was formally put into service, which will continue to improve the operation and management of the service areas, strengthen the management over suppliers, implement uniform distribution of stock commodities and, actively introduce brand operation, etc. The Company synchronically carried out the major business and the auxiliary business and laid a good foundation for corporate sustainability.

Under the restated standard of PRC Accounting Standards, during the Reporting Period, the Group realized total operating revenues of approximately RMB8,761,321,000, decreased by approximately 0.79% year-on-year, of which toll revenue amounted to approximately RMB6,437,854,000, representing an increase of approximately 2.38% year-on-year; revenue from ancillary services amounted to approximately RMB1,885,362,000, representing a decrease of 15.84% year-on-year; revenue from property sales amounted to RMB388,975,000, representing an increase of 53.41% year-on-year; and revenue from advertising and other operations amounted to approximately RMB49,130,000, up by approximately 1.15% year-on-year. The Group realized an operating profit of approximately RMB3,511,845,000 during the Reporting Period, representing an increase of approximately 12.71% as compared to the same period in 2014. Net profit attributable to equity holders of the Company was approximately RMB2,506,629,000 and earnings per share was approximately RMB0.498, representing an increase of approximately 12.51% as compared to the same period in 2014. Progress of various businesses is set out below:

1 *Toll road and bridge operations*

(1) Progress of businesses

Proactive merger of road assets

On 30 December 2014, it was considered and approved at the 17th meeting of the seventh session of the Board of the Company that the Company might acquire 100% equity shares of Ningchang Zhenli Company for a cash consideration of RMB502 million and inherited all of its interest-bearing liabilities, through a debt-to-equity conversion, and two acquisitions of assets including the acquisition by Guangjing Xicheng Company, a subsidiary of the Company, of 100% equity interests of Xiyi Company for a cash consideration of RMB662 million and conducted the merger of Xiyi Company. During the Reporting Period, the Company proactively completed subsequent procedures of these two projects. On 12 March 2015, such matters were considered and approved at the first extraordinary shareholders' meeting. On 9 April 2015, Guangjing Xicheng Company obtained the control of Xiyi Company; on 15 June 2015, the Company obtained the control of Ningchang Zhenli Company pursuant to which Ningchang Zhenli Company became a wholly-owned subsidiary of the Company, subsequently the Company replaced Ningchang Zhenli Company as debtor of its RMB7.36 million interest-bearing liabilities and such debt was converted into equity, which dramatically reduced the cost of debts. As at 25 June 2015, Ningchang Zhenli Company completed the changes in the registration with the bureau of industry and commerce and implemented the debt-to-equity conversion, which indicated that all procedures of the acquisition were successfully completed.

After the merger and acquisition of the two assets, the toll road mileage controlled by the Group increased by approximately 252 kilometers, which signified the effective integration of regional expressway assets by the Group, further strengthened the Group's leading position in southern Jiangsu road network, expanded the main business of the Group, raised the operational efficiency and enhanced the continuous profitability of the Group. The acquisition and merger met the demands of strategic development of the Group, and also laid the foundation of expanding the source of profit and maintaining the continuous and stable improvement of results in the future. In the meantime, by acquisition of competing roads, the loss of traffic volume of Shanghai-Nanjing Expressway caused by diversion could be offset, resulting in effective control over the traffic volume of roads within Shanghai-Nanjing passage.

On 29 December 2015, the fourth meeting of the eight session of the Board of the Company was held to consider and approve the investment in the first phrase of Changyi Expressway by its subsidiary Guangjing Xicheng Company with a consideration of no more than RMB800 million with a total track length of 18.094 kilometers, of which 7.05 kilometers are eight-lane expressway, 11.044 kilometers are six-lane expressway, with an estimated total investment of approximately RMB2.918 billion, Guangjing Xicheng Company holds 60% of its equity interest.

Obtaining the compensation for removal of the toll stations in the G312 Shanghai-Nanjing Section

To resolve the conflict on the toll collection of the toll stations along the G312 Shanghai-Nanjing Section and gradually promote the building of two network systems (toll road system consisting of expressways and free road system consisting of ordinary roads), we followed the decision of Jiangsu Provincial Government ((Su Zheng Fu [2015] No. 88)) to remove the remaining four toll stations along the G312 Shanghai-Nanjing Section, namely Daijiamen, Benniu, Wangting, Gunan, and early terminate the Company's toll road concession rights of G312 Shanghai-Nanjing Section (including the stations removed in 2012), and end the toll collection period on 15 September 2015 and the Company would receive economic compensation for early termination of its toll road concession rights of G312 Shanghai-Nanjing Section according to the relevant rules.

Through repeated communications with the relevant departments of the Jiangsu Provincial Government and hard work, the Company received from the State-owned Assets Supervision and Administration Commission of Jiangsu Province the approval Su Guo Zi Fu [2015] No. 195 entitled "Approval in relation to the Economic Compensation Arrangements for the Removal of Toll Stations and Early Termination of Toll Road Concession Rights of Shanghai-Nanjing Section of G312" (《關於撤除312國道滬寧段收費站提前終止收費經營權經濟補償的批復》) on 21 December 2015, under which, according to the laws, regulations and the relevant approval of the provincial government such as the Toll Road Management Law (《收費公路管理条例》) and the Measures for the Transfer of Toll Road Concession Rights (《收費公路權益轉讓辦法》), it is agreed to compensate the Company for the removal of the toll stations of G312 Shanghai-Nanjing Section and early termination of its toll road concession rights of G312 Shanghai-Nanjing Section and the economic compensation in the amount of RMB1,316,049,634 would be paid by Communications Holding from its retained earnings to the Company. The relevant compensation was calculated according to the Transfer of Toll Road Concession Rights (《收費公路權益轉讓辦法》) (State Council Order [2008] No.11)(國務院令2008年第11號). On 24 and 25 December 2015, the Company received the first compensation installments of RMB526,419,854 in aggregate from Communications Holding.

The early termination of the Company's toll road concession rights of G312 Shanghai-Nanjing Section reduced the burden of the Company's operation and relieved the financial risk of the Company caused by the long-term operating losses of G312 Shanghai-Nanjing Section and the operating risks resulted from the more and more acute contradiction on the toll collection, further optimized the Company's asset structure, which was of strategic importance for the sustainability and healthy development of the Company.

Accelerating the construction of new investment projects

During the Reporting Period, the two new projects Kunshan-Wujiang Section of Changshu-Jiaxing Expressway (the "**ChangJia Expressway**") and Zhenjiang-Danyang Expressway (the "**Zhendan Expressway**") invested by the Group were implemented smoothly. The construction of ChangJia Expressway in which the Company held 22.77% of its equity interest commenced in September 2013. As at the end of the Reporting Period, the stonework for subgrade and the bridge construction was basically completed. The total completed work represented approximately 70% of the approved projects and it is expected to open to traffic in 2016.

The registration with the bureau of the industry and commerce in terms of establishment of Zhendan Company, 70% of the equity interests in which belong to the Group, was completed in January 2015. The registered capital was RMB605.59 million. The Company negotiated with Communication Construction Bureau of Jiangsu Province and entered into the entrusted construction agreement of Zhendan Expressway, which entrusted the bureau to be in charge of the construction of Zhendan Expressway. As at the end of the Reporting Period, the project construction has been fully carried out following the completion of land requisition, demolition and relocation and it is expected to open to traffic in 2018.

(2) *Business performance and analysis on project operation*

During the Reporting Period, the Group recorded toll revenue of approximately RMB6,437,854,000, representing a year-on-year increase of approximately 2.38% and accounting for 73.48% of total revenue from operation of the Group, of which, the newly acquired Lishui Guizhuang Hub-South Changzhou Interchange Expressway (the "**Ningchang Expressway**"), Dantu Hub-Liyang Qianma Hub Expressway (the "**Zhenli Expressway**"), Northern Wuxi-Yixing West Dock Hub Expressway (the "**Xiyi Expressway**"), Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway (the "**Wuxi Huantaihu Expressway**") contributed toll revenue of approximately RMB1,081,136,000 during the Reporting Period. Apart from these four newly acquired projects, the toll revenue from other road and bridge projects decreased by approximately 0.29% in a year-on-year manner during the Reporting Period.

Considering the operating performance of all projects, for the Reporting Period, the average daily traffic volumes of Shanghai-Nanjing Expressway recorded a year-on-year growth of approximately 6.04%, among which, the traffic volume of passenger vehicles witnessed a growth of approximately 10.14% year-on-year while the truck traffic volume decreased by approximately 5.64% year-on-year. Due to rapid growth of traffic volume of passenger vehicles and ongoing decline of traffic volume of trucks, the proportion of passenger vehicles to trucks traffic volume was approximately 76.83% and 23.17%, respectively. Trucks using Shanghai-Nanjing Expressway recorded a year-on-year decrease by 2.83 percentage points. Resulting from the Ningchang Expressway's rerouting, the truck traffic volume of the western portion of Shanghai-Nanjing Expressway reduced by approximately 9.55% (with a decrease of approximately 12.24% for the first half and approximately 6.78% for the rest of the year, the rerouting was gradually moderated in the second half of the year).During the Reporting Period, the average daily toll revenue of Shanghai-Nanjing Expressway was approximately RMB12,303,190, which was similar to that in last year.

In contrast, during the Reporting Period, Ningchang Expressway maintained its strong increasing momentum as in 2014, with a year-on-year increase of approximately 34.61% in the average daily traffic volumes, out of which the traffic volume of passenger vehicles witnessed a growth of approximately 40.94% and the truck traffic volume increased by approximately 19.72% year-on-year. The traffic volume performed better than expected. The average daily toll revenue increased by approximately 30.79% year-on-year. During the Reporting Period, the total traffic volumes of Shanghai-Nanjing West Corridor comprising the western section of Shanghai-Nanjing Expressway and Ningchang Expressway have increased by approximately 13.59% year-on-year, among which the average daily traffic volume of passenger vehicles increased by 18.48% year-on-year while the average daily traffic volume of trucks decreased by 0.84% year-on-year. After the completion of acquisition of Ningchang Expressway, the diversion effect on the western section of Shanghai-Nanjing Expressway has been offset effectively. The performance of traffic volumes of the other three newly acquired projects, being Zhenli Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway met the expectation. The scale efficiencies of the asset integration of the expressways within the region to the Group's major business are gradually brought out.

The traffic volumes of all of other road and bridge projects including the north connection of Jiangyin Yangtze Bridge, Guangling-Jingjiang Section (the "**Guangjing Expressway**"), the south connection of Jiangyin Yangtze Bridge, Jiangyin-Wuxi Section (the "**Xicheng Expressway**"), Jiangyin Yangtze River Bridge (the "**Jiangyin Bridge**") and Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway (the "**Sujiahang Expressway**") continued to maintain relatively good growth momentum. Whereas due to the slow growth of macro-economy and the overall poor performance of the transportation industry, the proportion of truck traffic volumes decreased in different degree, and as a result of which, the growth of toll revenue was less than the growth of traffic volume.

2. ***Operation of Ancillary Services***

During the Reporting Period, the Company recorded revenue of approximately RMB1,885,362,000 from the ancillary services, representing a year-on-year decrease of approximately 15.84%. Out of this revenue, revenue from sales of petroleum products amounted to approximately RMB1,630,950,000, accounting for approximately 86.51% of the total revenue from the ancillary services. Notwithstanding a slight increase in the gross profit margin of the sales of petroleum products year-on-year, the continuous drop in average retail price of oil products at a wider scale when compared with that in the same period last year as a result of fall in international oil price has resulted in a decrease in revenue from sales of petroleum products of approximately 18.24% year-on-year. Revenue from other businesses including food and beverage, retail sales of goods and hindrance clearance services amounted to approximately RMB254,412,000, representing a year-on-year increase of approximately 3.69%.

3. *Property Development and Sales Business*

During the Reporting Period, the PRC government lowered the threshold of property purchase, stabilized property market and propelled its development by a range of measures including several cuts on interest rates and reductions in reserves, flexible macro-control policies in various regions and policy of gradual abolition of the house purchase quota in major cities which contributed to the accelerated recovery of the property market. Faced with the new opportunities of the property market, Ninghu Properties, applying a prudent and steady development strategy, caught up closely with the current trend of the market. A healthy development momentum has gradually come into being with accurate positioning of the products, reasonable sales and marketing positioning in consideration of regional disparities and product differences, orderly advanced development pace and adjustment of sales strategy according to the market trend.

During the Reporting Period, the newly added area under development of property projects of Ninghu Properties, a subsidiary of the Company, was 75,300 square meters. Currently, the gross floor area under development totaled approximately 593,900 square meters, of which approximately 257,600 square meters has been completed and delivered and was transferred, the gross area under construction was approximately 336,300 square meters. The annual contracted area was approximately 55,100 square meters (447 sets) generating advanced sales revenue of up to approximately RMB565,862,000, representing a year-on-year growth of approximately 166.05%; the delivered area was approximately 35,800 square meters (353 sets) generating carryover sales revenue up to approximately RMB388,975,000, representing a year-on-year growth of approximately 53.41%; the lease of property and the residential properties management fee income was approximately RMB2,543,000. During the Reporting Periods, the net profit after tax of Ninghu Properties amounted to RMB59,723,000, representing a year-on-year increase of 2652.81%. Since the Tongcheng Guangming Jiezuo (同城光明捷座)project and Tongcheng Shijia Garden B Phase I project (同城世家花園B一期) developed and sold by the company has been completed and delivered during the Reporting Period, the delivered area and resulting profit also increased to a certain extent year-on-year, thus bringing about a comparatively ideal situation in the property business during the Reporting Period.

4. Advertising and other businesses

During the Reporting Period, the revenue from advertising and other businesses of the Group amounted to RMB49,130,000, representing a year-on-year increase of 1.15%. Among such aggregate revenue, revenue from advertisement operations was approximately RMB42,551,000 representing a year-on-year decrease of 1.83%, revenue from property service fees and lease of commercial properties was approximately RMB6,579,000 representing a year-on-year increase of approximately 25.87%, which was mainly attributable to the rental income from the lease of commercial properties in Kunshan by Jiangsu Ninghu Investment Development Co., Ltd. (the "**Ninghu Investment**"), and the property management income from the management and operation of residential properties delivered by Ninghu Properties.

7.2 Financial analysis

1 Analysis of major businesses

Changes in relevant items in income statement and cash flow statement:

Unit: RMB

Item	Reporting Period	Corresponding period of last year	Changes %
Operating revenue	**8,761,321,186**	8,830,860,795	-0.79
Operating costs	**4,416,207,589**	4,674,829,859	-5.53
Selling expenses	**16,030,791**	13,806,381	16.11
Administrative expenses	**213,294,103**	212,989,851	0.14
Financial expenses	**778,935,597**	895,551,358	-13.02
Income tax expenses	**305,144,944**	807,730,901	-62.22
Non-operating income	**42,430,974**	25,411,960	66.97
Non-operating expenses	**659,221,149**	37,081,034	1677.79
Investment income	**444,068,189**	352,287,304	26.05
Net cash flow from operating activities	**4,475,893,125**	3,741,645,416	19.62
Net cash flow from investing activities	**(1,499,120,436)**	(402,940,197)	-272.05
Net cash flow from financing activities	**(3,464,279,257)**	(3,153,628,016)	-9.85

(1) Operation by industries, products or regions:

Item	Operating revenue		Operating cost		Gross profit margin	
	Reporting Period *(RMB)*	Change over the previous year *(%)*	**Reporting Period** *(RMB)*	Change over the previous year *(%)*	**Reporting Period** (%)	Change over the Previous year
Toll road	**6,437,853,809**	2.38	**2,277,236,491**	2.92	**64.63**	Decreased by 0.19 percentage points
Shanghai-Nanjing Expressway	**4,490,662,560**	-0.01	**1,161,120,216**	4.86	**74.14**	Decreased by 1.20 percentage points
G312 Shanghai-Nanjing Section	**32,325,290**	-39.01	**252,453,864**	-8.83	**-680.98**	Decreased by 258.55 percentage points
Nanjing Section of Nanjing-Lianyungang Highway	**26,531,422**	-11.39	**15,913,020**	2.35	**40.02**	Decreased by 8.05 percentage points
Guangjing Expressway and Xicheng Expressway	**807,198,623**	1.11	**234,778,837**	0.67	**70.91**	Increased by 0.12 percentage points
Ningchang Expressway and Zhenli Expressway	**787,782,499**	21.73	**446,644,225**	5.37	**43.30**	Increased by 8.80 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	**293,353,415**	9.00	**166,326,329**	6.76	**43.30**	Increased by 1.19 percentage points
Ancillary Services	**1,885,362,444**	-15.84	**1,892,119,251**	-15.82	**-0.36**	Decreased by 0.03 percentage points
Property Sales	**388,975,137**	53.41	**227,549,069**	15.45	**41.50**	Increased by 19.23 percentage points
Advertising and others	**49,129,796**	1.15	**19,302,778**	10.48	**60.71**	Decreased by 3.32 percentage points
Principal businesses by regions						
Within Jiangsu Province	**8,761,321,186**	-0.79	**4,416,207,589**	-5.53	**49.59**	Increased by 2.53 percentage points

During the Reporting Period, the major property units delivered were those of Tongcheng Guangming Jiezuo. Due to the relatively low land acquisition cost for the project, the gross profit margin from property business in this Reporting Period was higher than that of the corresponding period of last year.

(2) Analysis of cost and revenue

The Group realized an operating profit of approximately RMB8,761,321,000 during the Reporting Period, representing a decrease of approximately 0.79% as compared to the same period in 2014. Operating costs was approximately RMB4,416,208,000, representing a year-on-year decrease of 5.53%. As the rate of decrease of revenue was lower than that of costs, the consolidated gross profit margin of the Group increased by 2.53 percentage points over the corresponding period of last year.

Composition of revenue:

Items of Operating Revenue	**Reporting Period** *RMB*	**Percentage** %	Corresponding period of 2014 *RMB*	Percentage %	Change over the previous year %
Revenue from toll road operations	**6,437,853,809**	**73.48**	6,288,500,482	71.21	2.38
Revenue from ancillary business	**1,885,362,444**	**21.52**	2,240,233,553	25.37	-15.84
Revenue from property sales	**388,975,137**	**4.44**	253,556,650	2.87	53.41
Revenue from advertising and other businesses	**49,129,796**	**0.56**	48,570,110	0.55	1.15
Total	**8,761,321,186**	**100**	8,830,860,795	100	-0.79

As the major customers of the Group's toll business, operation business in service area and property sales business are individuals, the five largest customers in aggregate accounted for less than 30% of the turnover of the Company. Coupled with the fact that there was 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 announcement.

Cost analysis:

During the Reporting Period, aggregated operating costs amounted to approximately RMB4,416,208,000, representing a year-on-year decrease of approximately 5.53%. The constituents of costs of each business category is set out below:

Item of operating costs	Reporting Period RMB	Percentage %	Corresponding period of 2014 *RMB*	Percentage %	Change over the previous year %	Changes explanation
Operating costs of the toll road operations	**2,277,236,491**	**51.57**	2,212,582,114	47.33	2.92	
Depreciation and amortization	**1,250,630,295**	**28.32**	1,305,857,870	27.93	-4.23	Depreciation and amortization costs of toll road operation recorded a year-on-year decrease due to premature termination of toll road concession rights of the G312 Shanghai-Nanjing Section as well as higher depreciation cost arisen from the changes in accounting estimates in the Reporting Period.
Costs on toll collection operation	**140,992,457**	**3.20**	135,486,597	2.90	4.06	Increase in building maintenance in during the Reporting Period resulted in an increase of costs on toll collection operation year-on-year.
Costs on roads and bridges maintenance	**287,009,397**	**6.5**	214,650,022	4.59	33.71	Due to several reasons such as the normal wear and tear of roads and national examination on maintenance of mainlines, number of maintenance projects of roads and bridges increased during the Reporting Period. As a result, costs on roads and bridges maintenance also increased.
Costs on system maintenance	**44,224,164**	**1**	43,828,856	0.94	0.90	–
Labour costs	**554,380,178**	**12.55**	512,758,769	10.97	8.12	Due to the rigid increase in labour costs.
Costs on ancillary businesses	**1,892,119,251**	**42.84**	2,247,676,576	48.08	-15.82	–

Item of operating costs	Reporting Period RMB	Percentage %	Corresponding period of 2014 *RMB*	Percentage %	Change over the previous year %	Changes explanation
Raw materials	**1,635,506,878**	**37.03**	2,004,298,882	42.87	-18.40	Raw material costs in costs on ancillary businesses recorded a year-on-year decrease due to the decrease in petroleum products price.
Depreciation and vamortization	**27,126,609**	**0.61**	28,998,807	0.62	-6.46	Changes during the Reporting Period decreased as a result of higher depreciation and amortization costs arisen from the changes in accounting estimates in previous year
Labour costs	**182,434,705**	**4.13**	173,658,671	3.72	5.05	Due to the rigid increase in labour costs.
Other costs	**47,051,059**	**1.07**	40,720,216	0.87	15.55	Other costs of ancillary businesses recorded a year-on-year increase due to reasons such as national rating of service areas.
Costs on property sales business	**227,549,069**	**5.15**	197,100,033	4.22	15.45	Since the year-on-year increase in deliveries of property projects by the subsidiary Ninghu Properties, costs on property sales business recorded a year-on-year increase.
Costs on advertising and other business	**19,302,778**	**0.44**	17,471,136	0.37	10.48	Primarily due to the increase in management and operation costs of the delivered community properties by the subsidiary Ninghu Properties.
Total	**4,416,207,589**	**100**	4,674,829,859	100	-5.53	

(3) Expenses

Administrative expenses

During the Reporting Period, administrative expenses of the Group amounted to RMB213,294,000 in aggregate, which was more or less the same when compared to that of the same period in previous year. The administrative fee budget was under good control during the Reporting Period mainly due to the strict expenses control through the strengthening of budget management.

Financial expenses

On 15 June 2015, the Company inherited all interest bearing liabilities of RMB7.36 billion from Ningchang Zhenli Company by way of debt-to-equity conversion. After such direct investment, the Company adjusted the structure of the inherited interest bearing liabilities by the issue of ultra-short-term loan and medium term notes to replace the inherited mid-term and long-term bank borrowing. The Company also early repaid certain loans by bank borrowing and direct financing with a relatively lower cost of financing during the Reporting Period. As at the end of the Reporting Period, the Company has repaid and replaced RMB7.11 billion of the liabilities. The rate of the consolidated borrowing cost of the inherited interest-bearing liabilities decreased from 6.05% to approximately 4.3% as at the end of the Reporting Period by adjustment of debt structure.

As at 31 December 2015, the Group's total interest-bearing liabilities amounted to approximately RMB13,401,843,000, decreased by RMB800,295,000 as compared with that in the beginning of the Reporting Period. The total financial expenses of the Group amounted to approximately RMB778,936,000, representing a year-on-year decrease of 13.02% mainly due to the year-on-year decrease in consolidated borrowing cost of the interest-bearing liabilities.

Selling expenses

During the Reporting Period, the Group's aggregate selling expenses amounted to approximately RMB16,031,000, representing a year-on-year increase of 16.11%, mainly due to the increase of sales scale of the property business of Ninghu Properties during the Reporting Period and a year-on-year increase in agency fees and planning fee resulting from the promotion of property projects.

Income tax expense

The statutory tax rate of all companies under the Group was 25%. During the Reporting Period, the income tax expense of the Group amounted to RMB305,145,000 in aggregate, representing a year-on-year increase of 62.22%, mainly attributable to two facts. Firstly there was a large decrease in income tax due to the one-off income tax reduction amounting to RMB326,834,000 pursuant to tax policies, resulting from the fact that profits generated can make up for losses in previous years following transfer of debts of Ningchang Zhenli Company, a subsidiary of the Company, which was eligible for recognizing deferred income tax. Secondly, losses of approximately RMB623,957,000 resulting from the early termination of toll road concession rights of the G312 Shanghai-Nanjing Section were deducted before tax, which led to decrease in income tax in the period.

(4) Cash flow

The revenue from the principal business of toll roads of the Group is received in cash contributing to a stable operating cash inflow. During the Reporting Period, the net cash flow from the Group's operating activities amounted to approximately RMB4,475,893,000, representing a year-on-year increase of 19.62%, mainly due to the net increase in operating cash inflow from the growth in toll revenue and property presale income; net cash outflow from investment activities amounted to approximately RMB1,499,120,000, representing a year-on-year increase of 272.05%, mainly due to the significant year-on-year increase in the payment of investment consideration for the merger and acquisition of Ningchang Zhenli Company and Xiyi Company and the payment for Zhendan Expressway construction during the Reporting Period; the net cash outflow from financing activities amounted to approximately RMB3,464,279,000, representing a year-on-year increase of 9.85%, mainly due to a year-on-year increase in the net cash outflow for the repayment of interest-bearing liabilities during the Reporting Period.

(5) Non-operating income and expenses

During the Reporting Period, the Group achieved a non-operating income of approximately RMB42,431,000, representing a year-on-year increase of 66.97%, which was mainly due to compensation of RMB28,517,000 received during the Reporting Period for the land use rights of borrow pits.

During the Reporting Period, the Group incurred a non-operating expense of approximately RMB659,221,000, representing a year-on-year increase of 1677.79%, which was mainly due to the losses from disposal of assets of approximately RMB623,957,000 from early termination of the Company's toll road concession rights of G312 Shanghai-Nanjing Section.

(6) Investment income

During the Reporting Period, the Group's investment income amounted to approximately RMB444,068,000, representing a year-on- year increase of 26.05%. Benefitted from the increase in profits of associates such as Jiangsu Yanjiang Expressway Co., Ltd. ("**Yanjiang Company**") and Suzhou Sujiahang Expressway Co., Ltd. ("**Sujiahang**"), investment income contributed by associates and joint ventures in which the Group held equity interest during the Reporting Period amounted to approximately RMB340,332,000, representing an increase of 9.45% as compared to that in 2014.

2. Explanation on material changes in profit due to non-principal business

After the acquisition of Ningchang Zhenli Company was completed, it started to make profits instead of suffering from losses this year, as a result of the transfer of debts and the reduction in financial expenses. The profit gained during the Reporting Period can be used to make up for the losses for the previous 5 years, resulting in a one off deduction of income tax of approximately RMB326,834,000 in accordance with tax policies during the Reporting Period, and thus increasing the net profit after tax. During the Reporting Period, Ningchang Zhenli Company realized a net profit of approximately RMB365,182,000.

On the request of Jiangsu Provincial Government, the Company early terminated its toll road concession rights on the G312 Shanghai-Nangjing Section at 0:00 on 16 September 2015. The provincial government consented to compensate the Company with the highest standard according to the relevant stipulations for the removal of toll station on the G312 Shanghai-Nangjing Section and the early termination of toll road concession rights on G312 Shanghai-Nangjing Section. The economic compensation amounting to RMB1,316,049,634 would be paid with the retained earnings of the Communications Holding. As the amount of compensation offered by the government was lower than the sum of the net book value of the toll road concession rights on G312 Shanghai-Nangjing Section and the net book value of the auxiliary assets of G312 Shanghai-Nangjing Section including the dismantled and abolished toll installations, system equipment, and the transfer station, etc, the Company, in the light of Accounting Standards for Business Enterprises, made a one-off write-down of the resulting asset loss of approximately RMB623,957,480 during the Reporting Period. During the Reporting Period, approximately RMB468 million was deducted from the net profit of the Group, which had been recognised in the G312 Shanghai-Nanjing Section annual financial statements for the Reporting Period.

The aforementioned acquisition of Ningchang Zhenli Company and assets loss of G312 Shanghai-Nanjing Section gave rise to changes in the source of profits of the Group during the Reporting Period and affected the quarterly financial indicators for the second quarter and the fourth quarter.

3. *Assets and Liabilities*

During the Reporting Period, the merger and acquisition of Ningchang Zhenli Company and Xiyi Company by the Group had certain impacts on the assets and liabilities, among which, on the merger and acquisition date, the total assets of the Group increased by approximately RMB10.34 billion and the total liabilities increased by approximately RMB9.347 billion including approximately RMB9.073 billion of interest-bearing liabilities. The Group acquired 100% equity interests of both companies for a cash consideration of RMB1.164 billion and its net assets decreased by approximately RMB266 million.

The net assets of the Group decreased by RMB468 million due to the early termination of the Company's toll road concession rights on G312 Shanghai-Nanjing Section during the Reporting Period.

As of 31 December 2015, item of assets and liabilities of the Group are as follows:

Item of Assets and Liabilities	**Reporting Period** *RMB*	**Percentage** *%*	Corresponding period of 2014 *RMB*	Percentage *%*	Change over the previous year *%*
Cash and bank balances	**255,475,447**	**0.70**	726,415,172	1.94	-64.83
Bills receivable	**1,722,313**	**0.00**	2,518,000	0.01	-31.60
Accounts receivable	**123,353,524**	**0.34**	117,412,597	0.31	5.06
Prepayments	**14,498,363**	**0.04**	266,879,166	0.71	-94.57
Interest receivable	**18,733,333**	**0.05**	0	0.00	–
Other receivables	**812,198,353**	**2.23**	1,224,608,057	3.27	-33.68
Inventories	**3,256,454,567**	**8.93**	3,091,938,748	8.25	5.32
Other current assets	**502,774,234**	**1.38**	231,636,482	0.62	117.05
Investment properties	**33,009,175**	**0.09**	34,284,836	0.09	-3.72
Long-term equity investment	**4,456,793,805**	**12.22**	4,174,591,269	11.14	6.76
Fixed assets	**1,692,923,594**	**4.64**	1,802,660,953	4.81	-6.09
Construction in progress	**1,030,127,104**	**2.82**	258,800,371	0.69	298.04
Deferred tax assets	**398,938,783**	**1.09**	49,806,472	0.13	700.98
Other non-current liabilities	**300,000,000**	**0.82**	0	0.00	–
Short-term borrowings	**1,811,000,000**	**4.96**	3,005,000,000	8.02	-39.73
Receipts in advance	**555,913,419**	**1.52**	375,468,300	1.00	48.06
Taxes payable	**61,498,426**	**0.17**	102,377,617	0.27	-39.93
Interest payable	**69,925,072**	**0.19**	115,056,758	0.31	-39.23

Item of Assets and Liabilities	**Reporting Period** *RMB*	**Percentage** *%*	Corresponding period of 2014 *RMB*	Percentage *%*	Change over the previous year *%*
Other payables	**80,687,691**	**0.22**	58,896,322	0.16	37.00
Non-current liabilities due within one year	**151,608,861**	**0.42**	1,029,826,457	2.75	-85.28
Other current liabilities	**6,685,220,505**	**18.33**	3,548,749,165	9.47	88.38
Long-term borrowings	**1,382,806,332**	**3.79**	6,172,708,646	16.47	-77.60
Bonds payable	**3,456,427,928**	**9.48**	494,603,286	1.32	598.83
Deferred tax liabilities	**2,544,353**	**0.01**	1,275,048	0.00	99.55
Other comprehensive income	**121,482,904**	**0.33**	188,889,048	0.50	-35.69
Shareholders' equity attributable to equity holders of the Company	**20,476,159,276**	**56.14**	21,015,980,062	56.07	-2.57
Minority interests	**710,012,832**	**1.95**	683,602,703	1.82	3.86
Total Assets	**36,476,039,663**	**100.00**	37,481,216,616	100.00	-2.68
Total gearing ratio	**41.92%**	**–**	42.11%	–	decreased by 0.19 percentage points
Net gearing ratio	**72.17%**	**–**	72.73%	–	decreased by 0.56 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 decreased by 64.83% from the beginning of the Reporting Period, mainly due to the higher utilization efficiency of capital at the Group level as a result of optimization, adjustment and allocation of capital resource within the Group. Therefore, the cash and bank balances at the end of the year declined compared with that at the beginning of the year.

* Bills receivable decreased by 31.60% from the beginning of the Reporting Period, mainly due to decrease in the bank acceptance notes held by Ninghu Investment, a subsidiary of the Company, as compared with the beginning of the year.

* Prepayments decreased by 94.57% from the beginning of the Reporting Period, mainly due to transfer of land premium prepaid for Lot No. 2, South Nanjing New Town to a project company during the Reporting Period.

* Interest receivable significantly increased over the beginning of the Reporting Period, mainly due to increase in interest on borrowings due from equity holders of Nanjing Hanwei Property Development Company Limited (the "**Hanwei Company**") during the Reporting Period.

* Other receivables decreased by 33.68% from the beginning of the Reporting Period, mainly due to the receipt of part of the compensation for early termination of the Company's toll road concession rights of G312 Shanghai-Nanjing Section during the Reporting Period.

* Other current assets increased by 117.05% over the beginning of the Reporting Period, mainly due to increase in the financial products of capital preservation with floating income held by the Group during the Reporting Period as compared to the beginning of the year.

* Construction in progress increased by 298.04% over the beginning of the Reporting Period, mainly due to the capital injection for Zhendan Expressway project during the Reporting Period.

* Deferred tax assets increased by 700.98% over the beginning of the Reporting Period, mainly due to the deferred income tax assets recognized by Ningchang Zhenli Company, a subsidiary of the Company, during the Reporting Period as its losses for previous years could be deducted from its profit generated after the transfer of its debts, which satisfied the requirements for recognition of deferred tax assets.

* Other non-current assets significantly increased over the beginning of the Reporting Period, mainly due to the shareholder borrowings provided by the Company for Hanwei Company, the project company for Lot No. 2 of South Nanjing New Town

* Short-term borrowings decreased by 39.73% from the beginning of the Reporting Period, due to the adjustment to the debt structure by the Company during the Reporting Period.

* Receipts in advance increased by 48.06% over the beginning of the Reporting Period, mainly due to the increase in the pre-sale payments received by Ninghu Properties for property projects during the Reporting Period.

* Taxes payable decreased by 39.93% from the beginning of the Reporting Period, mainly due to the fact that the income tax payable of the Company for the Reporting Period was offset by the relevant loss arising from disposition of the assets of G312 Shanghai-Nanjing Section which is deductible before tax.

* Interest payable decreased by 39.23% from the beginning of the Reporting Period, mainly due to the Company's early repayment of some of the long-term and short-term borrowings for higher fund use efficiency and lower fund cost during the Reporting Period.

* Other payables increased by 37% over the beginning of the Reporting Period, mainly due to the increase in the coordination and development fee for the expressways generated before the merger and acquisition of Ningchang Zhenli Company and Xiyi Company.

* Non-current liabilities due within one year decreased by 85.28% from the beginning of the Reporting Period, mainly due to repayment of non-current liabilities due within one year.

* Other current liabilities increased by 88.38% over the beginning of the Reporting Period, mainly due to the increase in short term bonds payable as a result of adjustment of debt structure during the Reporting Period.

* Long-term borrowings decreased by 77.60% from the beginning of the Reporting Period, mainly due to adjustment of debt structure by the Company during the Reporting Period.

* Bonds payable increased by 598.83% over the beginning of the Reporting Period, mainly due to the issuance of medium term notes amounting to RMB3 billion during the Reporting Period.

* Deferred tax liabilities increased by 99.55% over the beginning of the Reporting Period, mainly due to the increase in the change in the fair value of the investment in Ninghu Investment, a subsidiary of the Company, during the Reporting Period.

* Other comprehensive income decreased by 35.69% from the beginning of the Reporting Period, mainly because the Group adjusted the other comprehensive income according to its shareholding in Yangtze Bridge, an associate of the Group, in response to the change in fair value of available-for-sale financial assets held by Yangtze Bridge during the Reporting Period.

(1) Capital expenditures

During the Reporting Period, the Group's planned capital expenditures amounted to approximately RMB2,095,059,000, representing an increase of 300.07% or RMB1,571,387,000 from 2014. The year-on-year increase was comparatively significant, mainly due to the payment of RMB1.164 billion for the purchase of equity interests of the Ningchang Zhenli Company and Xiyi Company and the capital of RMB574,980,000 invested in construction of Zhendan Expressway during the Reporting Period. During the Reporting Period, details on the Group's capital expenditure projects are as follows:

Capital Expenditures	*RMB*
Ningchang Zhenli Company investment	502,000,000
Xiyi Company investment	662,000,000
Equity investment in Jiangsu Xiexin Gas	9,673,900
Equity investment in Hanwei Company	70,000,000
Equity investment in Suzhou Sujiahang Expressway Co., Ltd.	65,249,712
Investment in construction of Zhendan Expressway	574,980,000
Information construction projects	12,754,746
Noise barriers construction projects	16,779,261
Renovation project of toll collection points and service areas	86,451,172
Construction of the three major systems	30,449,587
Connection and renovation of Jingjiang station of Guangjing Expressway and Xicheng Expressway	8,575,000
Setting up advertising signage	5,893,104
Renovation project of distribution substation in the station area	5,000,000
Other construction in progress and equipment	45,252,537
Total	2,095,059,019

(2) Capital structure and debt solvency

The Company attached great importance to maintain reasonable capital structure and continuously improved its profitability in order to retain the Company's good credit rating and stable financial situation. During the Reporting Period, the newly-added liabilities of the Group totaled approximately RMB9,347,278,000 due to the purchase of equity interests of the Ningchang Zhenli Company and Xiyi Company while at the end of the Reporting Period, the gross liabilities amounted to approximately RMB15,289,868,000, with the total gearing ratio increased to 41.92% from 23.71% at the beginning of the Reporting Period. (Note: calculation basis of the total gearing ratio: Liabilities/ Total assets) In consideration of the Group's stable and abundant operating cash flow and excellent capacity of financing and capital management, the management of the Company believed that the gearing ratio stayed in a safe level.

(3) Financial Strategy and Financing Arrangement

During the Reporting Period, the Company actively expanded its financing channels. It adjusted its interest-bearing liabilities structure inherited from acquisition by direct financing means including the issue of ultra-short-term and medium-term notes. The Company reduced its financing cost by means such as repaying expired bank loans and replacing indirect financing with direct financing. For this Reporting Period, the direct financing of the Company amounted to RMB11 billion and the repaid bank loans totaled RMB4.562 billion. Through implementing active structural adjustment of interest-bearing liabilities, as at 31 December 2015, the balance of interest-bearing liabilities amounted to RMB13.402 billion, decreased by approximately RMB0.8 billion compared with the balance at the beginning of the Reporting Period. At the end of the Reporting Period, the proportion of direct financing in the Group's interest-bearing liabilities was approximately 75.36%, representing an increase of 43.67 percentage points compared with that at the beginning of the Reporting Period. During the Reporting Period, the Company satisfied the funding demands for operational management and project investment and effectively controlled the financing costs by means of active financing strategies.

There was no seasonal impact on the Group's demands for loans. During the Reporting Period, the Company's consolidated borrowing cost rate of interest-bearing liabilities was approximately 5.23%, which was 0.77 percentage point lower than that in the previous year and approximately 0.47 percentage point lower than the prevailing bank loan rate of the same period.

(4) Credit policy

In order to minimize credit risk, the Group has controlled credit limits, undertaken credit approvals and executed other monitoring procedures to ensure that necessary follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of its receivables at each balance sheet date to ensure that adequate provisions are made for bad debts. In this regard, the management of the Group considers that the credit risk faced by the Group was low.

(5) Pledge of assets

The Company entered into a debt transfer agreement with Ningchang Zhenli Company and the relevant banks on 15 June 2015 and agreed that the outstanding pledged borrowings of Ningchang Zhenli Company with China Development Bank Jiangsu Branch and Bank of China Jiangsu Branch would be undertaken by the Company from the date of execution of the agreement. The original borrowing amount obtained from China Development Bank Jiangsu Branch was RMB1,700,000,000 for the investments in the Ningchang Expressway project. The aforesaid borrowing was obtained through pledging the toll road concession right of Ningchang Expressway. As at the end of the Reporting Period, an aggregate of RMB1,600,000,000 has been repaid and the outstanding borrowing was RMB100,000,000. The original borrowing amount obtained from Bank of China Jiangsu Branch was RMB1,100,000,000 for the investments in the Zhenli Expressway project. The aforesaid borrowing was obtained through pledging the toll road concession right of Zhenli Expressway. As at the end of the Reporting Period, the borrowing has been repaid in full.

Guangjing Xicheng Company, a subsidiary of the Company, obtained bank loans amounting to RMB400,000,000 from Bank of Communications Jiangsu branch in 2012 for the equity investment in Jiangsu Yanjiang Expressway Co., Ltd. (the "**Yanjiang Company**"). The bank loans were secured by toll road concession rights of Guangjing Expressway and Xicheng Expressway. At the end of the Reporting Period, the borrowing has been repaid in full.

Guangjing Xicheng Company, a subsidiary of the Company, has acquired and absorbed Xiyi Company and undertaken the original borrowings of Xiyi Company. Xiyi Company obtained bank loans amounting to RMB200,000,000 from Wuxi Branch of Bank of China for the construction of Wuxi Huantaihu Expressway. The bank loans were guaranteed by Communications Holding and further secured by toll road concession rights of Wuxi Huantaihu Expressway in June 2008. At the end of the Reporting Period, an aggregate of RMB157,000,000 has been repaid and the outstanding balance of the borrowing was RMB43,000,000.

(6) Contingencies

Ninghu Properties, a subsidiary of the Company, provided several guarantees to banks for bank borrowings granted to buyers of properties of C4 Tongcheng Hongqiao Mansion in Huaqiao Urban Core Area, Huaqiao Urban Core B4 Guangming Jiezuo Project, Phase 1 and Phase 2 of Tongcheng Shijia Project on Lot B of Baohua Hongyan Community and G25 Shijia Huating on Suzhou Southern Gate Road. The guarantee 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 third party property rights certificates to banks. As at 31 December 2015, the outstanding guarantees amounted to approximately RMB286,633,851 (31 December 2014: RMB175,803,094).

(7) Foreign exchange risks

The Group operates its businesses principally in the PRC. No material foreign exchange risks are involved as the Group's revenues from operations and capital expenditures are all settled in Renminbi, except for dividend payments for H shares. A loan of USD9,800,000 was secured from the Spanish government in 1998 and will be due on 18 July 2027. As at 31 December 2015, the balance of the loan was approximately RMB20,915,000 after currency conversion, against which no foreign exchange hedge arrangements were made by the Group. Fluctuations in exchange rates will not have any material impact on the Company's results.

(8) Reserves

Unit: RMB

	Share capital	Capital reserve	Other comprehensive income	Statutory surplus reserve	Retained profit	Total shareholders' equity attributable to equity holders of the Company
As at 1 January 2014	5,037,747,500	11,512,948,688	95,858,321	2,833,298,081	1,131,119,311	20,610,971,901
Profit for the year					2,227,907,831	2,227,907,831
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)
As at 31 December 2014	5,037,747,500	11,511,362,341	188,889,048	2,927,043,693	1,350,937,480	21,015,980,062
As at 1 January 2015	**5,037,747,500**	**11,511,362,341**	**188,889,048**	**2,927,043,693**	**1,350,937,480**	**21,015,980,062**
Profit for the year					**2,506,629,408**	**2,506,629,408**
Reduction of owners' capital		**(1,064,700,000)**				**(1,064,700,000)**
Total comprehensive income			**(67,406,144)**			**(67,406,144)**
Profit distributed				**113,244,086**	**(113,244,086)**	**0**
Dividends distributed					**(1,914,344,050)**	**(1,914,344,050)**
As at 31 December 2015	**5,037,747,500**	**10,446,662,341**	**121,482,904**	**3,040,287,779**	**1,829,978,752**	**20,476,159,276**

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

The above statutory reserves may not be used for purposes other than their intended purposes nor for distribution as cash dividends. As at 31 December 2015, reserves distributable to shareholders of the Company amounted to RMB1,829,978,752. (As at 31 December 2014, reserves distributable to shareholders of the Company amounted to RMB4,712,690,449. Due to the change in combination scope resulting from business combinations involving enterprises under common control, the retained profit at the beginning of the Reporting Period was reduced by RMB3,361,752,969. Reserves of RMB1,350,937,480 can be distributed to the shareholders after adjustment.)

7.3 Development strategies of the Company

During the "Twelfth Five-Year", the Group established the "233" strategy: to implement the three strategies of "improvement of the core business", "expansion of business" and "extension of platform" and set up the preliminary structure of three major businesses consisting of "one core and two ancillary businesses" with an aim to lay down a solid foundation for the change to the middle to long term strategic development with the support of the two enhanced management capabilities, being management and operation capability of basic facilities and investment management capability. For the past five years, the revenue of the Group was on an overall increasing trend, the Group's asset size grew significantly, the level of operation management further improved and the internal management was continuously streamlined. The Group had outstanding advantage in terms of its resources such as road assets, fund sources and platforms, etc. The enhancement of expressway operation and management capability and its investment and financing management capability has strongly safeguarded the Group's stable development. Meanwhile, areas such as assets integration, strengthening of ancillary businesses, use of capital and human resources were still subject to improvement.

During the Reporting Period, the Group has, on the basis of the comprehensive review and conclusion of the implementation of specific strategic indicators during the "Twelfth Five-Year", accurately grasped the mid- to long-term trend of the socio-economic transformation and development of the industry, performed in-depth analysis of changes in internal and external business environment due to the new stage of development, further amended and improved the key strategic indicators and targets for development, actively planning the "Thirteenth Five-Year" development strategy, prepared the Group's capacity and resources to adapt to the new market and industry environment and realize sustainable development..

During the "Thirteenth Five-Year", the Group will further focus on the principal business, firmly grasp two main lines of the business management and field service of expressway, deepen the "233" strategic development system, and actively promote the innovation of scientific and technological, management and management, facilitate the coordinated development of capital management and asset management and take principal business expansion strategy, strengthening the minor business strategy, capital operation strategy, talent upgrade strategy as the four core strategies, give full play to the listed company's investment and financing advantages, promote the integration and restructuring of assets and optimal allocation of resources, continue to improve the road operational management level and public service capacity, and integrate and develop road-derivative businesses, to make the Group a modern investment operation and management company with "mature capital operation, lead in management efficiency and multi harmonious relationship".

7.4 Operational Plan

1. *Operating objectives in 2016*

   Based on the anticipated operating status and macroeconomic environment in 2016, the Board believes that the Group's total revenue will exceed RMB8,700 million in 2016 and the targeted operating costs and relevant expenses shall be strived to control under the amount of RMB5,200 million. The operating plan shall not be regarded as an undertaking of results to investors due to a certain degree of uncertainty in operations faced by the Group in 2016, investors shall have sufficient risk awareness and appreciate the difference between operating plans and undertaking of results.

2. *Operating plan in 2016*

   In order to ensure the profit target for 2016 can be achieved in order to well prepare for the future strategic development, the major measures of the Group in 2016 are as follows which are formulated according to the overall operational environment in 2016:

   (1) **To actively plan for the Group's "Thirteenth Five-Year" Development Strategy.** Having regards to the actual situation, the Company shall carefully research and proactively participate in the reform of State-owned enterprises and formulate and implement the Company's "Thirteenth Five-Year" development strategy. The Company will focus on the core businesses, endeavour to give full play to the function of the Company's capital operations, conduct feasibility studies on investment in, merger and acquisition

of new roads and bridges projects, seriously and proactively participate in investment in core businesses and prepare sources for the expansion of the scope of the core businesses of roads and bridges. With outstanding innovative business model, enhanced awareness of market competition as well as exploration of the road of transformation, the service area operations and ancillary businesses such as real estate and finance will support each other as well as the core businesses.

(2) **Continuously enhance road operation and management as well as service level.** With the guide of Smooth (Unobstructed Traffic), Caring, Technological, the Group will continuously enhance road operation and management as well as the level of customer service, strengthen maintenance and management of road and management of hindrance clearance work, and relentlessly maintain the first-rate road quality as will further improve the capability in respect of safety and smoothness and traffic efficiency. Through optimizing service and building of service and management brand, promoting travelling service experience of customers, concentrating on the creation of brand Caring Shanghai-Nanjing Expressway, through continuous in-depth road operation and informationization of internal management as well as development of intelligence skills, the Group shall endeavour to make progress in terms of scientific and technological innovations, and maintain its leading position in science and technology in the industry sector.

(3) **Give full play to the function of platform for investment and financing in finance and capital market.** Fully play the role of platform for investment and financing in finance and capital market. With the purpose of establishment of the Company's capital brand and enhancement of valuation technique, explore effective path for market value management. Take full advantage of capital market, demonstrate the function of platform for investment and financing and advantage, endeavor to broaden the horizon, seek and explore opportunities in terms of investment and financing in the new reform of State-owned enterprises, keep abreast of tendency/trend of capital market development. strengthen the application of the direct financing tool within the capital market, research and innovate financing product, expand financing channel, to provide sufficient capital protection for the Group's strategic development.

(4) **Promote innovation of management mechanism and operating model.** Build a highly efficient and practical management system, organically incorporate Standards Implementation, internal control, outstanding performance as well as standardization system of safety production, form a standard, copious, expandable operating management mechanism, uplift internal management efficiency, strengthen consolidated management in respect of financial resources, redirect the focus on high-value areas such as support of operating decision-making and comprehensive performance management, build new financial management model, enhance financial management efficiency, pay more attention on capital operation and assets operation efficiency, cultivate a new profit growth by way of innovation of operating mode and expansion of operating status, give full play to function of assets by way of entire-process and life-cycle management of assets.

VIII. MATTERS CONCERNING THE FINANCIAL STATEMENTS

8.1 Compared with the financial statements for the previous year, the Company made no changes on the Accounting Policies, Accounting Estimates and Audit Method during the Reporting Period.

8.2 There were no corrections of material accounting errors during the Reporting Period.

8.3 Change in the scope of consolidated financial statements during the Reporting Period

During the Reporting Period, the Company purchased 100% equity interest of the Ningchang Zhenli Company with RMB502 million, undertook all its interest-bearing liabilities and conducted debt-to-equity conversion for Ningchang Zhenli Company. Guangjing Xicheng Company, a subsidiary of the Company, purchased 100% equity interest of the Xiyi Company with RMB662 million and absorbed and merged with Xiyi Company. The two acquisitions were both completed within the Reporting Period. Ningchang Zhenli Company became a wholly-owned subsidiary of the Company and Xiyi Company was merged into Guangjing Xicheng Company thus bringing about the change in the scope of consolidated financial statements during the Reporting Period.

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

IX. OTHERS

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

During the Reporting Period, there was no purchase, sale or redemption of the shares of the Company 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. Preemptive Rights

In compliance with "Company law of the People's Republic of China" and the articles of association of the Company, 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 of the Company as at the latest practicable date prior to the publication of this announcement complies with the requirements of the Hong Kong Listing Rules.

4. Model Code for Securities Transactions by Directors

Having made enquiries from all the Directors and supervisors of the Company, the Directors and supervisors of the Company complied with the provisions on securities transactions under the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Code**") 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 announcement, the Board has reviewed the daily governance 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 code provisions in the Corporate Governance Code and strived to fulfill the recommended best practices, other than the code provisions A2.1, A2.7, B1.1 and E1.2 stated below, the Company has been in compliance with all the code provisions under the Corporate Governance Code and no material deviation or breach of the provisions of the Corporate Governance Code was found.

Code provision		Compliance	Corporate governance procedures
A2.1	The roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities should be clearly established and set out in writing	No	• Before his appointment as a Director, Mr. Chang Qing was the chairman of the supervisory committee of the Company and assumed the position as the Chairman of the eighth session of the Board. Mr. Qian Yong Xiang held the position as the managing Director of the Company. The Chairman concentrated his work on the Group's development strategies and matters of the Board, while the managing Director undertook the duties of chief executive officer and was in charge of the coordination and management of the business and operations of the Group, the implementation of the strategies set by the Board and day-to-day decision-making under the support and assistance of the Board and with the support of other senior management staff of the Company. The separation of the roles is explained in detail in the articles of association, the "Rules of Procedure for the Board of Directors" and the "Rules of Reference to General Manager" of the Company. • There was no relationship between the Chairman and the general manager of the Company in the financial, operational, family or other relevant aspects.
A2.7	The chairman should hold a meeting annually with non-executive directors, in the absence of the executive director	No	• The Board has 11 members, of whom two are executive Directors and the rest are all non-executive Directors. Six Directors were appointed externally. This ensures adequate independence of the Board and safeguards the Board's decisions from being prejudiced by the opinions of executive Directors.

Code provision	Compliance	Corporate governance procedures
B1.1 The remuneration committee should consult the chairman or the chief executive officer about their remuneration proposals for other executive directors, and should have access to professional advice if necessary	No	• During 2015, other than the general manager who serves as the executive Director, the Company does not have other executive Directors. The general manager of the Company receives management remuneration, which was suggested by the remuneration committee to the Chairman and the general manager did not receive Directors' remuneration.
E1.2 The chairman of the Board should attend the annual general meeting and arrange for the chairmen or members of the committees to be available to answer questions raised by shareholders at the meeting. The management should ensure that the external auditors attend the annual general meeting	No	• When the 2014 annual general meeting was held, the position of Chairman of the Company was vacant, so the annual general meeting was presided over by the acting chairman of the Company. Representatives of all committees and the management of the Company have been arranged to be available to answer questions raised by Shareholders at the meeting. Each year, independent Directors give their independent opinions and report to shareholders on matters that are subject to independent shareholders' approval, and answer questions raised by Shareholders at the general meeting. The Company also arranged for the representatives of the external auditors to attend the annual general meeting to answer relevant questions if necessary or to act as a scrutineer of the meeting.

6. Audit Committee

The Audit Committee of the Company has reviewed and confirmed, that the annual report for the year ended 31 December 2015 and its summary, and the relevant financial information was prepared under the Accounting Standards, in respect of which Deloitte Touche Tohmatsu Certified Public Accountants LLP issued an auditors' report with standard unqualified opinion.

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

Consolidated balance sheet
As at 31 December 2015

Unit: RMB

Item	Closing balance	Opening balance (restated)	Last year Opening balance (restated)
Current Assets:			
Cash and bank balances	**255,475,447**	726,415,172	523,544,443
Financial assets at fair value through profit or loss	**35,887,051**	38,951,822	20,175,395
Notes receivable	**1,722,313**	2,518,000	149,843
Accounts receivable *(note 7)*	**123,353,524**	117,412,597	64,976,566
Prepayments *(note 9)*	**14,498,363**	266,879,166	21,816,840
Interest receivable	**18,733,333**	–	–
Dividends receivable	**4,989,960**	4,989,960	4,989,960
Other receivables *(note 8)*	**812,198,353**	1,224,608,057	1,230,106,753
Inventories	**3,256,454,567**	3,091,938,748	2,845,519,492
Other current assets	**502,774,234**	231,636,482	175,082,464
Total Current Assets	**5,026,087,145**	5,705,350,004	4,886,361,756
Non-current Assets:			
Available-for-sale financial assets	**1,293,818,457**	1,313,185,957	1,313,185,956
Long-term equity investment	**4,456,793,805**	4,174,591,269	3,787,359,931
Investment properties	**33,009,175**	34,284,836	35,415,146
Fixed assets	**1,692,923,594**	1,802,660,953	1,766,964,867
Construction in progress	**1,030,127,104**	258,800,371	132,963,159
Intangible assets	**22,238,627,984**	24,136,118,565	25,289,864,582
Long-term prepaid expenses	**5,713,616**	6,418,189	1,166,864
Deferred tax assets	**398,938,783**	49,806,472	16,307,595
Other non-current assets	**300,000,000**	–	–

Item	**Closing balance**	Opening balance (restated)	Last year Opening balance (restated)
Current Liabilities:			
Short-term borrowings	**1,811,000,000**	3,005,000,000	3,465,000,000
Accounts payable *(note 10)*	**924,505,565**	767,168,706	420,564,473
Receipts in advance *(note 11)*	**555,913,419**	375,468,300	413,016,626
Employee benefits payable	**3,375,508**	5,624,993	4,851,604
Taxes payable	**61,498,426**	102,377,617	160,536,051
Interest payable	**69,925,072**	115,056,758	87,811,650
Dividends payable	**69,467,760**	68,678,625	62,903,610
Other payables *(note 12)*	**80,687,691**	58,896,322	185,673,798
Non-current liabilities due within one year	**151,608,861**	1,029,826,457	974,110,574
Other current liabilities	**6,685,220,505**	3,548,749,165	3,039,577,219
Total Current Liabilities	**10,413,202,807**	9,076,846,943	8,814,045,605
Non-current Liabilities:			
Long-term borrowings	**1,382,806,332**	6,172,708,646	6,173,148,039
Bonds payable	**3,456,427,928**	494,603,286	991,074,397
Deferred income	**34,886,135**	36,199,928	37,820,117
Deferred tax liabilities	**2,544,353**	1,275,048	1,369,249
Total Non-current Liabilities	**4,876,664,748**	6,704,786,908	7,203,411,802
TOTAL LIABILITIES	**15,289,867,555**	15,781,633,851	16,017,457,407

Item	**Closing balance**	Opening balance (restated)	Last year Opening balance (restated)
Shareholders' Equity:			
Share capital	**5,037,747,500**	5,037,747,500	5,037,747,500
Capital reserve	**10,446,662,341**	11,511,362,341	11,512,948,688
Other comprehensive income	**121,482,904**	188,889,048	95,858,321
Surplus reserve	**3,040,287,779**	2,927,043,693	2,833,298,081
Retained profits *(note 14)*	**1,829,978,752**	1,350,937,480	1,131,119,311
Total shareholders' equity attributable to equity holders of the Company	**20,476,159,276**	21,015,980,062	20,610,971,901
Minority interests	**710,012,832**	683,602,703	601,160,548
TOTAL SHAREHOLDERS' EQUITY	**21,186,172,108**	21,699,582,765	21,212,132,449
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**36,476,039,663**	37,481,216,616	37,229,589,856

Legal representative:
Chang Qing

Chief Accountant:
Qian Yang Xiang

Person in Charge of Accounting Body:
Yu Lan Ying

Consolidated income statement
for the year ended 31 December 2015

Unit: RMB

Item			Amount for the current year	Amount for the prior year (restated)
I.	**Total operating income**		**8,761,321,186**	8,830,860,795
	Including:	Operating income *(note 1)*	**8,761,321,186**	8,830,860,795
	Less:	Total operating costs	**5,700,480,153**	6,070,494,998
		Including: Operating costs *(note 1)*	**4,416,207,589**	4,674,829,859
		Business taxes and levies	**275,332,597**	273,402,548
		Selling expenses	**16,030,791**	13,806,381
		Administrative expenses	**213,294,103**	212,989,851
		Financial expenses	**778,935,597**	895,551,358
		Impairment losses of assets	**679,476**	(84,999)
	Add:	Gains from changes in fair values	**6,935,829**	3,066,189
		Investment income	**444,068,189**	352,287,304
		Including: Income from investments in associates and joint ventures	**340,332,126**	310,937,218
II.	**Operating profit**		**3,511,845,051**	3,115,719,290
	Add:	Non-operating income	**42,430,974**	25,411,960
		Including: Gains from disposal of non-current assets	**1,516,024**	5,078,206
	Less:	Non-operating expenses	**659,221,149**	37,081,034
		Including: Losses from disposal of non-current assets	**629,723,205**	7,684,626
III.	**Total profit**		**2,895,054,876**	3,104,050,216
	Less:	Income tax expenses *(note 2)*	**305,144,944**	807,730,901
IV.	**Net profit**		**2,589,909,932**	2,296,319,315
	Net profit attributable to owners of the Company		**2,506,629,408**	2,227,907,831
	Profit or loss attributable to minority interests		**83,280,524**	68,411,484

Item	**Amount for the current year**	Amount for the prior year (restated)
V. Other comprehensive income (net of tax)	**(67,406,144)**	93,030,727
Other comprehensive income (net of tax) attributable to owners of the parent company	**(67,406,144)**	93,030,727
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss	**–**	–
(II) Other comprehensive income that will be reclassified subsequently to profit or loss	**(67,406,144)**	93,030,727
1. Share of other comprehensive income of the investee under the equity method that will be reclassified subsequently to profit or loss	**(67,406,144)**	93,030,727
Other comprehensive income (net of tax) attributable to minority interests	**–**	–
VI. Total comprehensive income	**2,522,503,788**	2,389,350,042
Total comprehensive income attributable to owners of the Company	**2,439,223,264**	2,320,938,558
Total comprehensive income attributable to minority shareholders	**83,280,524**	68,411,484
VII. Earnings per share: *(note 5)*		
(I) Basic earnings per share	**0.4976**	0.4422
(II) Diluted earnings per share	**N/A**	N/A

Legal representative:
Chang Qing

Chief Accountant:
Qian Yang Xiang

Person in Charge of Accounting Body:
Yu Lan Ying

XI. 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 operating income	**8,323,216,253**	**4,169,355,742**	8,528,734,035	4,460,258,690
Including: Shanghai-Nanjing Expressway	**4,490,662,560**	**1,161,120,216**	4,490,913,228	1,107,253,412
G312 Shanghai-Nanjing Section	**32,325,290**	**252,453,864**	53,001,537	276,893,764
Nanjing-Lianyungang Highway	**26,531,422**	**15,913,020**	29,941,035	15,548,066
Guangjing Expressway and Xicheng Expressway	**807,198,623**	**234,778,837**	798,365,574	233,208,883
Ningchang Expressway and Zhenli Expressway	**787,782,499**	**446,644,225**	647,150,717	423,890,846
Xiyi Expressway	**293,353,415**	**166,326,329**	269,128,391	155,787,143
Ancillary services	**1,885,362,444**	**1,892,119,251**	2,240,233,553	2,247,676,576
Real estate development	**388,975,137**	**227,549,069**	253,556,650	197,100,033
Advertising and others	**49,129,796**	**19,302,778**	48,570,110	17,471,136
Total	**8,761,321,186**	**4,416,207,589**	8,830,860,795	4,674,829,859

2. Income tax expenses

(1) Income tax expenses

Unit: RMB

Item	**Amount incurred in current year**	Amount incurred in prior year
Current tax expenses	**653,005,145**	833,617,721
Deferred tax expenses	**(347,863,006)**	(33,593,077)
Provision of prior years' tax	**2,805**	7,706,257
Total	**305,144,944**	807,730,901

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

(2) 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	**2,895,054,876**	3,104,050,216
Income tax expenses calculated at 25% (prior year: 25%)	**723,763,719**	776,012,554
Effect of cost, expenses and loss that are not deductible for tax purposes	**28,183,656**	26,579,738
Effect of tax-free income	**(97,547,465)**	(86,702,885)
Effect of using previously unrecognised deductible losses and deductible temporary differences *(Note)*	**(349,257,771)**	–
Effect of unrecognised deductible losses and deductible temporary differences	**–**	84,135,237
Adjustment to provision of prior years' tax	**2,805**	7,706,257
Total	**305,144,944**	807,730,901

Note: Effect of using previously unrecognised deductible losses and deductible temporary differences during this year was mainly due to the combination of Ningchang Zhenli Company and Xiyi Company under common control. According to the Group's profit forecast, the Group considered that it is probable that sufficient taxable profits will be available in the future to allow the deductible temporary difference and deductible losses to be utilized. Hence, the Group recognized deferred tax assets for the deductible temporary differences and deductible losses of Ningchang Zhenli Company and Xiyi Company which were not recognized in the previous years.

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)	**702,331,675**	667,525,436.00
Retirement benefits scheme contributions	**104,957,326**	91,110,971
Total staff costs	**807,289,001**	758,636,407
Audit fee	**4,125,000**	3,765,000
Depreciation and amortization (Included in operating costs and administrative expenses)	**1,295,889,191**	1,350,591,850
Losses on disposal of non-current assets	**628,207,181**	2,606,420
Amortization of land use rights (Included in operating costs and administrative expenses)	**63,184,146**	63,184,146
Cost of inventories recognised as an expense	**1,893,540,995**	2,193,225,169

4. Breakdown of non-recurring profit or loss

Unit: RMB

Item	Amount
Losses (gains) on disposal of non-current assets	628,207,181
Government grants recognized in profit or loss for the current period	(1,813,793)
Gains from changes in fair values of held-for-trading financial investments, Profit on disposal of held-for-trading and available-for-sale financial investments	(35,967,519)
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognised as a result of business combination of enterprises under common control	(230,688,998)
Reversal of provision for accounts receivable which were tested for impairment losses individually	(161,574)
Interest income from loans	(24,846,638)
Other non-operating income or expenses other than the above	(9,603,213)
Tax effects	(138,953,611)
Effects attributable to minority interests	178,023
Total	186,349,858

5. Return on net assets and earnings per share ("EPS")

The return on net assets and EPS have been prepared by Jiangsu Expressway Co., Ltd in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

Profit for the reporting period	**Weighted average return on net assets** *(%)*	**EPS**	
		Basic EPS	**Diluted EPS**
Net profit attributable to ordinary shareholders of the Company	12.45%	0.4976	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	13.38%	0.5346	N/A

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

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

Unit: RMB

	Amount for the current year	Amount for the prior year
Net profit for the current year attributable to ordinary shareholders	**2,506,629,408**	2,227,907,831
Including: Net profit from continuing operations	**2,506,629,408**	2,227,907,831
Net profit from discontinued operations	**–**	–

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

Unit: RMB

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

Earnings per share

Unit: RMB

	Amount for the current year	Amount for the prior year
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.4976**	0.4422
Diluted earnings per share	**N/A**	N/A
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.4976**	0.4422
Diluted earnings per share	**N/A**	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	**N/A**	N/A
Diluted earnings per share	**N/A**	N/A

Note: At 31 December 2015, there were no dilutive potential ordinary shares issued by the Group.

7 Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit: RMB

	Closing balance					Opening balance				
	Carrying amount		Bad debt provision			Carrying amount		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Net book value	Amount	Proportion (%)	Amount	Proportion (%)	Net book value
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	-	-	-	-	-	-	-	-	-	-
Accounts receivable for which bad debt provision has been assessed by portfolios- Portfolio 1	118,641,889	95	-	-	118,641,889	107,579,300	91	-	-	107,579,300
Accounts receivable for which bad debt provision has been assessed by portfolios Portfolio 2	4,807,791	4	96,156	5	4,711,635	9,193,000	8	183,860	17	9,009,140
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	1,699,980	1	1,699,980	95	-	1,699,980	1	875,823	83	824,157
Total	125,149,660	100	1,796,136	100	123,353,524	118,472,280	100	1,059,683	100	117,412,597

(2) The aging analysis of accounts receivable is as follows:

Unit: RMB

Aging	Closing balance				Opening balance			
	Carrying amount	**Proportion (%)**	**Bad debt provision**	**Net book value**	Carrying amount	Proportion (%)	Bad debt provision	Net book value
Within 1 year	**123,449,680**	**99**	**96,156**	**123,353,524**	116,772,300	99	183,860	116,588,440
More than 1 year but not exceed 2 years	**-**	**-**	**-**	**-**	–	–	–	–
More than 2 years but not exceeding 3 years	**-**	**-**	**-**	**-**	1,699,980	1	875,823	824,157
More than 3 years	**1,699,980**	**1**	**1,699,980**	**-**	–	–	–	–
Total	**125,149,660**	**100**	**1,796,136**	**123,353,524**	118,472,280	100	1,059,683	117,412,597

(3) Provision recorded, reversal and written off in the current year

Provision recorded in the current year is RMB824,157.

Provision reversal in the current year is RMB87,704.

(4) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Bad debt provision	Proportion of the amount to the total accounts receivable *(%)*
Jiangsu Expressway Network Operation and Management Co., Ltd.(“**Network Operation Company**”)	27,537,362	–	22
Sinopec Sales Co., Ltd. Jiangsu Branch	24,722,693	–	20
Jiangsu Ninghang Expressway Co., Ltd.(“**Ninghang Company**”)	10,295,251	–	8
Suzhou Sujiahang Expressway Co., Ltd.(“**Sujiahang Company**”)	9,205,646	–	7
Jiangsu Expressway Petroleum Development Co., Ltd. (“**Jiangsu Petroleum Company**”)	8,342,500	–	7
Total	80,103,452	–	64

(5) Other explanations

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

8. Other receivables

(1) Disclosure of other receivables by categories:

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision			Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Net book value	Amount	Proportion (%)	Amount	Proportion (%)	Net book value
Other receivables that are individually significant and for which bad debt provision has been assessed individually	**15,812,140**	**2**	**15,812,140**	**99**	**-**	15,812,140	1	15,812,140	99	-
Other receivables for which bad debt provision has been assessed by portfolios-Portfolio1	**807,602,857**	**97**	**-**	**-**	**807,602,857**	1,217,220,670	98	-	-	1,217,220,670
Other receivables for which bad debt provision has been assessed by portfolios-Portfolio2	**4,689,282**	**1**	**93,786**	**1**	**4,595,496**	7,538,150	1	150,763	1	7,387,387
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total	**828,104,279**	**100**	**15,905,926**	**100**	**812,198,353**	1,240,570,960	100	15,962,903	100	1,224,608,057

Other receivable that are individually significant and for which bad debt provision has been assessed individually:

Unit: RMB

Other receivables (According to entity)	Closing balance			
	Other receivables	Bad debt provision	Proportion (%)	Reasons
Yicao Highway(宜漕公路)	15,812,140	15,812,140	100	Age over 3 years, is not expected to be recovered

(2) Provision recorded, reversal and written off in the current year

Provision recorded in the current year is RMB16,893.

Provision reversal in the current year is RMB73,870.

(3) Disclosure of other receivables by nature:

Unit: RMB

Nature	**Closing balance**	Opening balance
Amounts of the disposal of the removal network point of G312 Shanghai-Nanjing Section	**789,629,780**	1,124,177,798
Amounts of investment clearance	**15,812,140**	15,812,140
Petty cash	**5,517,965**	4,686,900
Landlord maintence funds	**3,580,800**	3,507,153
Pre-borrowings for engineering	**3,000,000**	5,000,000
Compensation for road assets	**2,407,462**	2,155,945
Deposits for engineering	**1,600,000**	1,600,000
Amounts of the disposal of Zhenjiang branch line	**–**	74,033,640
Other insignificant amounts	**6,556,132**	9,597,384
Total	**828,104,279**	1,240,570,960

(4) *Top five entities with the largest balances of other receivables*

Unit: RMB

Name of entity	Nature of other receivables	Amount	Aging	Proportion of the amount to total other receivables (%)	Closing balance of bad debt provision
Jiangsu Provincial Government	Amounts of the disposal of the removal network point of G312 Shanghai-Nanjing Section	191,871,836 597,757,944	Within 1 year Over 3 years	23 72	– –
Yicao Highway(宜漕公路)	Amount of investment clearance	15,812,140	Over 3 years	2	15,812,140
Transportation Bureau of Jingjiang City (靖江市交通運輸局)	Pre-borrowings for engineering	3,000,000	Within 1 year	1	–
Kunshan Finance Bureau Huaqiao branch (昆山市財政局花橋分局)	Deposits for engineering	1,600,000	1–2years	0	–
Jiangsu Ninghu Expressway Road Administration Division(江蘇省寧滬高速公路路政支隊)	Compensation for road assets	1,103,427	Within 1 year	0	–
Total		811,145,347		98	15,812,140

(5) *Other explanations*

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) 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 G312 Shanghai-Nanjing Section. Jiangsu Provincial Government issued "Approval on compensation for removal of the G312 Shanghai-Nanjing Section" (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 concession rights. As a result, the Company recognized compensation receivables from Jiangsu Provincial Government at RMB1,124,177,798. The Company has received the commitment letter from Communications Holding in March 2015, pursuant to which Communications Holding agreed to compensate the total said amount on behalf of the government by cash.

On 1 September 2015, the Company received the "Notice from the Office of Jiangsu Provincial Government in respect of the agreement on Changli Expressway toll charge and other related issues" (Suzhengfu [2015] No. 88) issued by the Office of the Jiangsu Provincial Government. According to the Notice, The Company removed Daijiamen Toll station, Benniu Toll station, Wangting Toll station and Gu'nan Toll station that along the G312 Shanghai-Nanjing Section, and early terminated the toll road concession rights of the G312 Shanghai-Nanjing Section (including the stations removed in 2012) on 15 September 2015. The State-owned Asset Management Commission of Jiangsu Provincial Government issued the "Notice in respect of the approved economic compensation on the removal of the 312 National Highway toll station and early termination of the toll road concession rights "(Suguozifu[2015] No. 195) and committed to compensate for the early termination of the toll road concession rights at RMB1,316,049,634(including the removed stations compensation RMB1,124,177,798 in 2012), the compensation should be paid by Communications Holding on behalf of the government at cash.

As at 31 December 2015, the Company has received compensation RMB526,419,854, and the outstanding receivable balance is RMB789,629,780.

9. Prepayments

(1) Aging analysis of prepayments is as follows

Unit: RMB

Aging	**Closing balance** Amount	Proportion (%)	Opening balance Amount	Proportion (%)
Within 1 year	**11,270,634**	**78**	266,852,881	100
More than 1 year but not exceeding 2 years	**3,225,729**	**22**	24,285	–
More than 2 years but not exceeding 3 years	**–**	**–**	2,000	–
More than 3 years	**2,000**	**–**	–	–
Total	**14,498,363**	**100**	266,879,166	100

(2) Top five entities with the largest balances of prepayments

Unit: RMB

Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Sinopec Sales Co., Ltd. Jiangsu Branch	6,201,084	43
Urban and Rural Construction Science and Technology Service Center in Jurong (句容市城鄉建設科技服務中心)	2,866,929	20
Suzhou Shipping Co., Ltd. (蘇州輪船運輸有限公司)	712,500	5
Kunshan Litong Gas Co., Ltd. (昆山利通天然氣有限公司)	577,500	4
Liyang Sutong Engineering Co., Ltd. (溧陽市蘇通工程有限公司)	400,000	2
Total	10,758,013	74

10. Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Construction payable	**396,725,660**	228,971,103
Construction payable for real estate project	**394,223,615**	419,524,316
Purchase of petroleum payable	**5,193,921**	15,799,258
Toll road fee payable	**39,267,672**	58,225,244
Deposit payable	**7,903,900**	5,421,500
Others	**81,190,797**	39,227,285
Total	**924,505,565**	767,168,706

(2) Aging analysis of accounts payable is as follows

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	**706,236,559**	707,961,428
More than 1 year but not exceed 2 years	**186,847,880**	34,691,624
More than 2 years but not exceeding 3 years	**8,687,716**	1,321,201
More than 3 years	**22,733,410**	23,194,453
Total	**924,505,565**	767,168,706

(3) Significant accounts payable aging more than one year in the closing balance

Unit: RMB

Item	Closing balance	Reasons for outstanding
Construction payable	**21,142,076**	Long settlement procedure of the project
Construction payable for real estate project	**164,200,693**	Long settlement procedure of the real estate project

11. Receipts in advance

(1) Receipts in advance are shown as follows:

Unit: RMB

Item	Closing balance	Opening balance
Rental deposit received in advance	**13,391,953**	8,192,293
Advertising service fee received in advance	**8,670,093**	11,235,740
Income from properties for sales received in advance	**532,697,812**	355,809,531
Others	**1,153,561**	230,736
Total	**555,913,419**	375,468,300

The aging analysis of receipts in advance is as follows:

Unit: RMB

Aging	Closing balance RMB	%	Opening balance RMB	%
Within 1 year	**537,832,364**	**97**	373,637,836	99
More than 1 year but not exceed 2 years	**18,001,055**	**3**	1,750,464	1
More than 2 years but not exceeding 3 years	**–**	**–**	–	–
More than 3 years	**80,000**	**–**	80,000	–
Total	**555,913,419**	**100**	375,468,300	100

Details of receipts in properties for sales received in advance are as follows:

Unit: RMB

Project name	Opening balance	Closing balance	Completion date	Proportion of advance sale (%)
Baohua Hongyan Community B1 Tongchengshijia Project	10,205,063	**1,750,464**	April 2014	64
Baohua Hongyan Community B2 Tongchengshijia Project	11,604,196	**116,587,920**	September 2016	13
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	694,454	**694,454**	August 2012	97
Huaqiao Urban Core B4 Guangmingjiezuo Project	333,305,818	**7,356,388**	June 2015	82
Huaqiao Urban Core B19 Guangmingxinzuo Project	–	**247,640,458**	November 2016	66
Suzhou Nanmen Road G25 Project	–	**158,668,128**	November 2017	66
Total	355,809,531	**532,697,812**		

12. Other payables

(1) Details of other payables are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Rural road construction funds	**42,436,814**	9,106,700
Payable of daily procurement in service area	**9,383,567**	9,119,457
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	**5,741,174**	11,413,235
Construction quality warrantee fee payable	**1,783,118**	1,903,026
Earnest money of acquisition of properties	**1,183,004**	2,482,196
312 toll road operation right acquisition costs payable	**–**	10,000,000
Amount of the noise barrier construction projects collected on other's behalf	**–**	631,565
Others	**20,160,014**	14,240,143
Total	**80,687,691**	58,896,322

(2) Significant other payables aged more than one year

Unit: RMB

Item	Closing balance	Reasons for outstanding
N/A		

13. Segment reporting

(1) Determining basis and accounting policy of reporting segment

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 10 reporting segments, The reporting segments are determined based on the standard with which the Group's management evaluates the operating results of these reporting segments and make decisions about resources to be allocated to the segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. Major products and services delivered or provided by each of the reporting segments are Shanghai-Nanjing Expressway, G312 Shanghai-Nanjing Section, Nanjing-Lianyungang Highway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Ningchang Expressway and Zhenli Expressway, Zhendan Expressway, Ancillary services (including Petrol, food and retail in service zone along the expressways), Real estate development and Advertising and others.

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.

(2) Financial information of reporting segment

Unit: RMB

	Shanghai-Nanjing Expressway		312 National Highway		Nanjing-Lianyungang Highway		Guangjing Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huantaihu Expressway		Ningchang Expressway and Zhenli Expressway	
	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	**4,490,662,560**	4,490,913,228	**32,325,290**	53,001,537	**26,531,422**	29,941,035	**807,198,623**	798,365,574	**293,353,415**	269,128,391	**787,782,499**	647,150,717
Operating costs	**1,161,120,216**	1,107,253,412	**252,453,864**	276,893,764	**15,913,020**	15,548,066	**234,778,837**	233,208,883	**166,326,329**	155,787,143	**446,644,225**	423,890,846
Including: Amortization of toll roads operation rights	**474,241,961**	446,923,194	**122,107,736**	202,176,202	**11,402,678**	10,458,090	**91,271,419**	84,727,005	**80,740,458**	74,702,714	**261,434,344**	256,794,872
Costs of petrol and other goods sold in service zones	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Segment operating profit (loss)	**3,329,542,344**	3,383,659,816	**(220,128,574)**	(223,892,227)	**10,618,402**	14,392,969	**572,419,786**	565,156,691	**127,027,086**	113,341,248	**341,138,274**	223,259,871
Reconciling items:												
Business taxes and levies	**150,886,262**	150,894,684	**1,810,216**	2,968,086	**891,456**	1,006,019	**27,121,874**	26,825,083	**9,856,675**	9,283,375	**26,469,492**	23,293,600
Selling expenses	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Administrative expenses	**62,985,133**	61,472,819	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Financial expenses	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Impairment loss of assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Gains from changes in fair values	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Investment income	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Operating profit	**3,115,670,949**	3,171,292,313	**(221,938,790)**	(226,860,313)	**9,726,946**	13,386,950	**545,297,912**	538,331,608	**117,170,411**	104,057,873	**314,668,782**	199,966,271
Non-operating income	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Non-operating expenses	**–**	–	**623,957,480**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total profit	**3,115,670,949**	3,171,292,313	**(845,896,270)**	(226,860,313)	**9,726,946**	13,386,950	**545,297,912**	538,331,608	**117,170,411**	104,057,873	**314,668,782**	199,966,271
Income tax expenses	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Net profit	**3,115,670,949**	3,171,292,313	**(845,896,270)**	(226,860,313)	**9,726,946**	13,386,950	**545,297,912**	538,331,608	**117,170,411**	104,057,873	**314,668,782**	199,966,271
Total segment assets	**12,448,904,440**	12,936,817,529	**–**	945,091,991	**294,210,267**	305,612,946	**1,376,755,189**	1,479,048,828	**2,222,568,798**	2,313,371,638	**6,804,863,789**	7,032,196,568
Total segment liabilities	**–**	–	**–**	–	**–**	–	**–**	–				
Supplementary information:												
Depreciation and amortization	**648,309,759**	643,211,975	**125,117,418**	205,481,212	**11,402,678**	10,458,090	**114,518,217**	101,857,362	**93,832,910**	89,319,369	**319,202,078**	317,002,681
Interest income	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Interest expense	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Investment income from long-term equity investment under equity method	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Non-current assets other than long-term equity investments	**12,448,904,440**	12,936,817,529	**–**	945,091,991	**294,210,267**	305,612,946	**1,376,755,189**	1,479,048,828	**2,222,568,798**	2,313,371,638	**6,804,863,789**	7,032,196,568
Capital expenditure	**133,786,123**	264,879,685	**10,000,000**	497,823	**–**	–	**26,360,215**	68,776,640	**7,002,794**	2,222,873	**9,039,604**	39,893,874
Including: Expenditure arising from construction in progress	**125,833,674**	227,633,364	**–**	–	**–**	–	**23,440,678**	48,305,063	**6,319,604**	2,222,873	**–**	39,893,874
Expenditure arising from purchase of fixed assets	**7,952,449**	37,246,321	**–**	497,823	**–**	–	**2,919,537**	20,471,577	**683,190**	–	**9,039,604**	–
Expenditure arising from purchase of intangible asset	**–**	–	**10,000,000**	–	**–**	–	**–**	–	**–**	–	**–**	–

	Zhendan 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
Operating income	**–**	–	**1,885,362,444**	2,240,233,553	**388,975,137**	253,556,650	**49,129,796**	48,570,110	**–**	–	**8,761,321,186**	8,830,860,795
Operating costs	**–**	–	**1,892,119,251**	2,247,676,576	**227,549,069**	197,100,033	**19,302,778**	17,471,136	**–**	–	**4,416,207,589**	4,674,829,859
Including: Amortization of toll roads operation rights	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,041,198,596**	1,075,782,077
Costs of petrol and other goods sold in service zones	**–**	–	**1,575,757,449**	1,943,055,411	**–**	–	**–**	–	**–**	–	**1,575,757,449**	1,943,055,411
Segment operating profit (loss)	**–**	–	**(6,756,807)**	(7,443,023)	**161,426,068**	56,456,617	**29,827,018**	31,098,974	**–**	–	**4,345,113,597**	4,156,030,936
Reconciling items:												
Business taxes and levies	**–**	–	**13,866,703**	17,191,562	**41,374,672**	40,257,500	**3,055,247**	1,682,639	**–**	–	**275,332,597**	273,402,548
Selling expenses	**–**	–	**–**	–	**15,279,820**	13,515,064	**750,971**	291,317	**–**	–	**16,030,791**	13,806,381
Administrative expenses	**–**	–	**–**	–	**–**	–	**–**	–	**150,308,970**	151,517,032	**213,294,103**	212,989,851
Financial expenses	**–**	–	**–**	–	**–**	–	**–**	–	**778,935,597**	895,551,358	**778,935,597**	895,551,358
Impairment loss of assets	**–**	–	**–**	–	**–**	–	**–**	–	**679,476**	(84,999)	**679,476**	(84,999)
Gains from changes in fair values	**–**	–	**–**	–	**–**	–	**–**	–	**6,935,829**	3,066,189	**6,935,829**	3,066,189
Investment income	**–**	–	**–**	–	**–**	–	**–**	–	**444,068,189**	352,287,304	**444,068,189**	352,287,304
Operating profit	**–**	–	**(20,623,510)**	(24,634,585)	**104,771,576**	2,684,053	**26,020,800**	29,125,018	**(478,920,025)**	(691,629,898)	**3,511,845,051**	3,115,719,290
Non-operating income	**–**	–	**–**	–	**–**	–	**–**	–	**42,430,974**	25,411,960	**42,430,974**	25,411,960
Non-operating expenses	**–**	–	**–**	–	**–**	–	**–**	–	**35,263,669**	37,081,034	**659,221,149**	37,081,034
Total profit	**–**	–	**(20,623,510)**	(24,634,585)	**104,771,576**	2,684,053	**26,020,800**	29,125,018	**(471,752,720)**	(703,298,972)	**2,895,054,876**	3,104,050,216
Income tax expenses	**–**	–	**–**	–	**–**	–	**–**	–	**305,144,944**	807,730,901	**305,144,944**	807,730,901
Net profit	**–**	–	**(20,623,510)**	(24,634,585)	**104,771,576**	2,684,053	**26,020,800**	29,125,018	**(776,897,664)**	(1,511,029,873)	**2,589,909,932**	2,296,319,315
Total segment assets	**719,089,735**	200,004,900	**327,027,272**	346,717,468	**3,595,141,600**	3,322,482,081	**319,589,853**	377,740,173	**8,367,888,720**	8,222,132,494	**36,476,039,663**	37,481,216,616
Total segment liabilities	**–**	–	**–**	–	**–**	–	**15,289,867,555**	15,781,633,851	**15,289,867,555**	15,781,633,851		
Supplementary information:												
Depreciation and amortization	**–**	–	**28,649,267**	28,937,389	**422,541**	224,198	**7,227,005**	6,437,799	**10,391,464**	10,845,921	**1,359,073,337**	1,413,775,996
Interest income	**–**	–	**–**	–	**–**	–	**–**	–	**6,546,617**	8,096,720	**6,546,617**	8,096,720
Interest expense	**–**	–	**–**	–	**–**	–	**–**	–	**743,920,403**	882,001,222	**743,920,403**	882,001,222
Investment income from long-term equity investment under equity method	**–**	–	**–**	–	**–**	–	**–**	–	**340,332,126**	310,937,219	**340,332,126**	310,937,219
Non-current assets other than long-term equity investments	**719,089,735**	200,004,900	**327,027,272**	346,717,468	**9,706,788**	8,850,456	**64,961,310**	67,703,672	**2,725,071,125**	1,965,859,347	**26,993,158,713**	27,601,275,343
Capital expenditure	**574,677,477**	–	**13,071,612**	25,913,613	**540,146**	1,876,712	**10,907,336**	6,899,854	**750,100**	–	**786,135,407.00**	410,961,074.00
Including: Expenditure arising from construction in progress	**574,677,477**	–	**8,710,873**	25,913,613	**144,710**	–	**10,384,020**	6,899,854	**–**	–	**749,511,036**	350,868,641
Expenditure arising from purchase of fixed assets	**–**	–	**4,360,739**	–	**395,436**	1,876,712	**523,316**	–	**–**	–	**25,874,271**	60,092,433
Expenditure arising from purchase of intangible asset	**–**	–	**–**	–	**–**	–	**–**	–	**750,100**	–	**10,750,100**	–

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

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

(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.

14. Dividends

The Board proposed to declare final cash dividends of RMB0.4 per share (tax inclusive) (the final cash dividends of RMB0.38 per share was declared for the year 2014 (tax inclusive)) in favour of the shareholders based on the total share capital of the Company of 5,037,747,500 shares, representing approximately 80.39% of the net profit attributable to the shareholders of the Company for the Reporting Period.

Chairman: **Chang Qing**
Jiangsu Expressway Company Limited

25 March 2016

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

Chang Qing, Qian Yong Xiang, Zhang Yang, Hu Yu, Du Wen Yi, Shang Hong, Ma Chung Lai, Lawrence, Zhang Er Zhen, Zhang Zhu Ting*, Ge Yang*, Chen Liang**

* *Independent Non-executive Directors*