



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)



2018

The Third Quarterly Report

I. IMPORTANT NOTICE

1.1 The board of directors (the “**Board**”) and the supervisory committee of Jiangsu Expressway Company Limited (the “**Company**”) together with its directors, supervisors and the senior management warrant that the contents of this quarterly report are true, accurate and complete and that there are no false representations, misleading statements contained in, or material omissions from, this quarterly report and they jointly and severally accept legal responsibility for such contents.

1.2 Absent Directors

Name of absent director	Position held by absent director	Reasons for absence	Name of proxy
Chen Yongbing	Director	Due to business engagement	Yao Yongjia
Ma Chung Lai, Lawrence	Director	Due to business engagement	Yao Yongjia
Zhang Zhuting	Independent Director	Due to business engagement	Chen Liang

1.3 Mr. Gu Dejun, the legal representative of the Company, Mr. Sun Xibin, the accounting chief, and Ms. Ren Zhuohua, the person-in-charge of the accounting department (Accounting Supervisor), warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 This third quarterly report of the Company is unaudited.

1.5 Unless otherwise defined herein, definitions of roads and companies contained in this report shall have the same meanings as set out in the definition section of the interim report of the Company for the six months ended 30 June 2018.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Data

Unit: yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease as at the end of the Reporting Period compared to the end of the previous year (%)
Total assets	46,676,081,417	42,532,491,238	9.74
Net assets attributable to shareholders of the Company	25,939,277,645	23,520,283,963	10.28
	From the beginning of the year to the end of the Reporting Period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Increase/decrease compared to the corresponding period of the previous year (%)
Net cash flow generated from operating activities	4,246,029,094	3,946,996,005	7.58

II. BASIC INFORMATION OF THE COMPANY

	From the beginning of the year to the end of the Reporting Period (January–September)	From the beginning of the previous year to the end of the reporting period of the previous year (January–September)	Increase/decrease compared to the corresponding period of the previous year (%)
Operating revenue	7,641,702,887	6,990,321,462	9.32
Net profit attributable to shareholders of the Company	3,652,096,620	2,895,998,719	26.11
Net profit attributable to shareholders of the Company net of non-recurring profit and loss	3,196,724,428	2,883,834,188	10.85
Weighted average return on net assets (%)	14.65	12.62	Increased by 2.03 percentage points
Basic earnings per share (RMB per share)	0.7249	0.5749	26.09
Diluted earnings per share (RMB per share)	N/A	N/A	N/A

II. BASIC INFORMATION OF THE COMPANY

Items and amounts of non-recurring profit/loss

Applicable Not Applicable

Unit: yuan Currency: RMB

Item	Amount for the Reporting Period (July-September)	Amount from the beginning of the year to the end of the Reporting Period (January-September)	Explanation
Gains or losses from disposal of non-current assets	-543,707	-759,212	
Government grants included in gains or losses for the current period (except for government grants which are closely related to normal business of the Company, conformed to the requirements of State policy, and granted continuously according to certain standardized amounts or quotas)	518,133	2,031,892	Compensation for construction of Ningchang Expressway and subsidy for stabilizing employment recognized during the Reporting Period
Profit and loss of changes in fair value arising from holding of held-for-trading financial assets and held-for-trading financial liabilities, as well as investment gain realized from disposal of held-for-trading financial assets, held-for-trading financial liabilities and financial assets available for sale, except for the effective hedging activities related to ordinary business operations of the Company	48,224,357	49,549,700	
Gain or losses from external entrusted loans	0	2,598,900	
Other non-operating income and expenses other than the above items	-4,315,580	-10,543,084	

II. BASIC INFORMATION OF THE COMPANY

Item	Amount for the Reporting Period (July–September)	Amount from the beginning of the year to the end of the Reporting Period (January–September)	Explanation
Other profit and loss items conforming with the definition of non-recurring profit and loss	-1,869,575	420,701,663	Mainly due to the recognition of the valuation gain based on the difference between the fair value and the book value of the equity interest in Hanwei Company held by the Company before the acquisition date and measured at fair value on the acquisition date, upon the acquisition of Hanwei Company during the Reporting Period in accordance with the standards on enterprise merger not under common control.
Affected minority interests (after tax)	-101,629	62,415	
Affected income tax amount	-10,503,407	-8,270,082	
Total	31,408,592	455,372,192	

II. BASIC INFORMATION OF THE COMPANY

2.2 Total Numbers of Shareholders, and Shareholdings of the Top Ten Shareholders and the Top Ten Holders of Circulating Shares (or Holders of Shares not Subject to Trading Restrictions) as at the End of the Reporting Period

Unit: Share

Total number of shareholders	22,448 (including 426 holders of H shares)
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Shareholdings of top ten shareholders

Name of shareholders (full name)	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held that are subject to trading restrictions	Shares pledged or frozen		Type of shareholders
				Status of shares	Number of shares	
Jiangsu Communications Holding Company Limited	2,742,578,825	54.44	0	Nil	0	State-owned legal person
China Merchants Highway Network Technology Holdings Co., Ltd.	589,059,077	11.69	0	Nil	0	State-owned legal person
Commonwealth Bank of Australia	159,589,300	3.17	0	Unknown	0	Foreign legal person
BlackRock, Inc.	134,955,914	2.68	0	Unknown	0	Foreign legal person
JPMorgan Chase & Co.	110,311,864	2.19	0	Unknown	0	Foreign legal person
Guotai Junan Securities Co., Ltd.	67,988,328	1.35	0	Unknown	0	Others
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	0.42	0	Unknown	0	Others
China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds	16,639,708	0.33	0	Unknown	0	Foreign legal person
China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds	9,953,812	0.20	0	Unknown	0	Foreign legal person
Cathay Life Insurance Co. Ltd. – Self-owned Funds	9,553,937	0.19	0	Unknown	0	Others

II. BASIC INFORMATION OF THE COMPANY

Shareholdings of top ten holders of shares not subject to trading restrictions

Name of shareholders	Number of circulating shares held that are not subject to trading restrictions	Type and number of shares	
		Type	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Highway Network Technology Holdings Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
Commonwealth Bank of Australia	159,589,300	Overseas-listed foreign shares	159,589,300
BlackRock, Inc.	134,955,914	Overseas-listed foreign shares	134,955,914
JPMorgan Chase & Co.	110,311,864	Overseas-listed foreign shares	110,311,864
Guotai Junan Securities Co., Ltd.	67,988,328	RMB-denominated ordinary shares	67,988,328
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds	16,639,708	RMB-denominated ordinary shares	16,639,708
China Life Insurance Co., Ltd. (Taiwan) – Self-owned Funds	9,953,812	RMB-denominated ordinary shares	9,953,812
Cathay Life Insurance Co. Ltd. – Self-owned Funds	9,553,937	RMB-denominated ordinary shares	9,553,937
Illustration on the related party/ connected relationship or acting-in-concert arrangement with respect to the above shareholders	(1)	the Company is not aware of the existence of related party relationship or acting-in-concert arrangement with respect to the above shareholders;	
	(2)	during the Reporting Period, there were no related parties, strategic investors or ordinary legal persons of the Company becoming the top ten shareholders of the Company because of placing of new shares; and	
	(3)	the number of shares held by H shareholders is based on the record according to the Securities and Futures Ordinance of Hong Kong.	
Illustration on the preference shareholders with voting rights restored and their shareholdings	Nil		



II. BASIC INFORMATION OF THE COMPANY

2.3 Total Number of Preference Shareholders, and Shareholdings of the Top Ten Preference Shareholders and the Top Ten Holders of Preference Shares not Subject to Trading Restrictions as at the End of the Reporting Period

Applicable

Not Applicable



III. SIGNIFICANT EVENTS

3.1 Details of and Reasons for Material Changes in the Major Financial Statement Items and Financial Indicators of the Company

Applicable Not Applicable

1. Business Progress

In the third quarter of 2018, the Group's businesses are steadily progressing as planned. The Group achieved a total operating revenue of approximately RMB2,499,923,000 for the third quarter based on the PRC accounting standards, representing an increase of approximately 7.70% as compared to the corresponding period of last year.

In particular, revenue from toll business amounted to approximately RMB2,025,843,000, representing an increase of approximately 8.78% year-on-year. In the third quarter, the daily average traffic volume of Shanghai-Nanjing Expressway was 97,411 vehicles, increasing by approximately 6.86% year-on-year, of which, the average daily traffic volume of passenger vehicles was 76,967 vehicles, increasing by approximately 8.31% year-on-year, while the average daily traffic volume of trucks was 20,444 vehicles, increasing by approximately 1.72% year-on-year. The proportion of passenger vehicle traffic volume and truck traffic volume maintained relatively stable at approximately 79.01% and approximately 20.99% respectively. During the Reporting Period, the passenger vehicle and truck traffic volume of major road and bridge projects of the Company showed different levels of growth. Continuing to maintain stable growth, our operation demonstrated a favorable overall performance.

III. SIGNIFICANT EVENTS

In the third quarter, as affected by the decrease of sales volume of oil products, revenue from the ancillary business of the Company amounted to approximately RMB383,587,000, representing a decrease of approximately 7.61% year-on-year. However, as the procurement contracts for oil products newly entered into by the Company in 2018 resulted in the further growth of profit from oil products, gross profit margin of oil products increased by approximately 5.24 percentage points year-on-year, accompanied by a year-on-year increase of approximately 6.60 percentage points in gross profit margin of ancillary services business, and the overall operating revenue from service areas recorded an increase. In terms of property business, the Company made great efforts to increase the selling rate under the existing regulation policies. The development and sales of the property projects progressed in an orderly manner, and revenue from pre-sale of property projects amounted to approximately RMB144,485,000. As the scale of delivery of the property projects during the quarter was larger as compared to the corresponding period of last year, carry-over revenue amounted to approximately RMB74,947,000, representing a year-on-year increase of approximately 154.68%. Advertising and other businesses achieved revenue of approximately RMB15,546,000, representing an increase of approximately 8.34% year-on-year, mainly attributable to a year-on-year increase in property services revenue.

In accordance with the PRC Accounting Standards, the operating cost of the Group amounted to approximately RMB1,019,287,000 for the third quarter, representing an increase of approximately 5.60% year-on-year; the operating profit amounted to approximately RMB1,531,315,000, representing an increase of approximately 15.92% year-on-year; the net profit attributable to shareholders of the Company amounted to approximately RMB1,163,955,000, representing an increase of approximately 16.82% as compared to the corresponding period of last year.

III. SIGNIFICANT EVENTS

Data of average daily traffic volume and average daily toll revenue of road and bridge projects from January to September 2018

Road and bridge projects	Average daily traffic volume (vehicle/day)			Average daily toll revenue (RMB'000/day)		
	January- September	Corresponding period of the previous year	Increase/ decrease (%)	January- September	Corresponding period of the previous year	Increase/ decrease (%)
Shanghai-Nanjing Expressway	96,654	91,088	6.11	13,845.14	13,069.60	5.93
Guangjing Expressway	72,603	68,816	5.50	829.61	797.61	4.01
Xicheng Expressway	82,079	76,697	7.02	1,680.38	1,562.42	7.55
Jiangyin Bridge	90,696	84,475	7.36	3,240.52	3,064.66	5.74
Sujiahang Expressway	65,991	60,681	8.75	3,333.63	3,005.05	10.93
Ningchang Expressway	42,531	37,409	13.69	2,488.99	2,181.75	14.08
Zhenli Expressway	13,471	11,645	15.68	711.09	674.88	5.37
Xiyi Expressway	22,402	20,774	7.84	883.31	823.04	7.32
Wuxi Huantaihu Expressway	9,768	7,697	26.91	100.92	84.35	19.64
Yanjiang Expressway	54,107	51,538	4.99	4,149.91	3,929.25	5.62
Changjia Expressway	16,295	12,571	29.62	401.49	300.04	33.81
Nanjing-Lianyungang Highway (Note 1)	4,892	6,104	-18.39	79.49	89.67	-11.35

Note 1: Panjiahuayuan Toll Station of Nanjing-Lianyungang Highway ceased to charge tolls since 00:00 on 1 June 2018. The data of this table regarding the traffic volume and revenue of Nanjing-Lianyungang Highway are from January to May 2017 and from January to May 2018.

III. SIGNIFICANT EVENTS

From January to September 2018, the Group achieved an accumulated operating revenue of approximately RMB7,641,703,000, representing an increase of approximately 9.32% as compared to the corresponding period of last year, of which, toll revenue amounted to approximately RMB5,619,329,000, representing an increase of approximately 6.74% as compared to the corresponding period of last year; as affected by the decrease of sales volume of oil products, revenue from the ancillary business amounted to approximately RMB1,102,057,000, representing a decrease of approximately 12.77% year-on-year; the cumulative revenue from pre-sale of property projects under property business during the Reporting Period amounted to approximately RMB266,433,000, and the carry-over revenue from sales amounted to approximately RMB872,667,000, representing an increase of approximately 109.67% year-on-year since the scale being delivered and carried forward during the Reporting Period was larger compared to the corresponding period of last year; and revenue from advertising and other businesses amounted to approximately RMB47,650,000, representing an increase of approximately 3.59% as compared to the corresponding period of last year.

In terms of business cost, the Group recorded an accumulated operating cost of approximately RMB3,275,661,000 from January to September, representing an increase of approximately 7.86% as compared to the corresponding period of last year, mainly due to year-on-year increase in cost of toll business and property business.

The Group recorded an accumulated operating profit of approximately RMB4,687,776,000 from January to September, representing an increase of approximately 21.25% as compared to the corresponding period of last year. The Group achieved net profit attributable to shareholders of the Company of approximately RMB3,652,097,000, and earnings per share of approximately RMB0.7249, representing an increase of approximately 26.11% as compared to the corresponding period of last year.

III. SIGNIFICANT EVENTS

2. Changes in Financial Indicators

Details of and reasons for material changes in the major financial statement items and financial indicators are as follows:

Reasons for Material Changes in Balance Sheet Items as at 30 September 2018

Unit: yuan Currency: RMB

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reason of change
Cash and bank balances	629,619,074	269,357,751	133.75	The main reason was that, during the Reporting Period, Changyi Company and Yichang Company, both being subsidiaries of the Company, received capital funds, and Hanwei Company was newly included in the scope of consolidation, resulting in an increase in cash and bank balances as compared to the beginning of the period.
Held-for-trading financial assets	526,461,289	38,871,811	1,254.35	According to the Accounting Standard for Business Enterprises No. 22, the Group reclassified wealth management products as held-for-trading financial assets from other current assets.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reason of change
Other receivables	131,634,070	106,256,683	23.88	Although Hanwei Company repaid the interest of the shareholders' loans during Reporting Period, other receivables increased as compared to the beginning of the period due to the broader consolidation scope of the Group as compared to the beginning of the period and the distribution of dividends declared by Yanjiang Company.
Prepayments	30,867,660	10,200,712	202.60	Mainly due to the increase in prepayments for projects and purchases during the Reporting Period as compared to the beginning of the period.
Inventories	4,026,325,020	3,010,805,685	33.73	Mainly due to the acquisition of Hanwei Company during the Reporting Period, the Company recognised its inventories at fair value, resulting in an increase in inventories as compared to the beginning of the period.
Non-current assets due within one year	0	300,000,000	-100	Mainly due to the repayment of shareholders' loans by Hanwei Company during the Reporting Period.
Other current assets	93,767,204	557,742,656	-83.19	In accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified wealth management products as held-for-trading financial assets from other current assets during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reason of change
Available-for-sale financial assets	0	2,329,877,191	-100	In accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified available-for-sale financial assets as other investments in equity instruments and other non-current financial assets.
Other investments in equity instruments	2,789,300,000	0	-	The main reason was that, in accordance with the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity interest of the restricted outstanding shares of Jiangsu Leasing and of Bank of Jiangsu as other investments in equity instrument; and the book value of the other investments in equity instruments recognized at fair value increased as a result of the listing of Jiangsu Leasing (certain shares of which are held by Guangjing Xicheng Company, a subsidiary of the Company) on the A-share market during the Reporting Period.
Other non-current financial assets	940,488,176	0	-	The main reason was that, according to the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity investment in limited partnership as other non-current financial assets, resulting in the increase in the book value of other non-current financial assets recognized by the Company at fair value.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reason of change
Deferred income tax assets	158,246,642	258,020,384	-38.67	Mainly due to the reversal of deferred income tax assets arising from the making up losses in previous years by Ningchang Zhenli Company, a subsidiary of the Company, during the Reporting Period.
Other non-current assets	14,207,791	200,216,678	-92.90	Mainly due to the offsetting of entrusted loans provided by the Company to Hanwei Company as the Group's internal transaction due to the inclusion of Hanwei Company into the consolidation scope during the Reporting Period.
Short-term borrowings	2,110,000,000	3,599,000,000	-41.37	Mainly due to the partial repayment of short-term borrowings by the Company during the Reporting Period.
Receipts in advance	0	840,007,370	-100	According to the Accounting Standard for Business Enterprises No.14, the Group reclassified items under receipts in advance as contract liabilities.
Contract liabilities	987,275,690	0	-	According to the Accounting Standard for Business Enterprises No.14, the Group reclassified items under receipts in advance as contract liabilities.
Taxes payable	209,567,836	275,210,217	-23.85	Mainly due to the full settlement and payment of corporate income tax for the year of 2017 during the Reporting Period.
Non-current liabilities due within one year	399,704,397	623,841,375	-35.93	Mainly due to the redemption of medium-term notes in an amount of RMB500 million during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)	Reason of change
Long-term borrowings	6,228,238,674	3,874,089,201	60.77	Mainly due to the increase in loans for the construction of the ongoing toll road and bridge projects during the Reporting Period.
Deferred income tax liabilities	339,836,687	28,056,831	1,111.24	Mainly due to the adjustments to other comprehensive income and the corresponding adjustments to deferred income tax liabilities based on the fair value of the equity interest in Jiangsu Leasing held by Guangjing Xicheng Company, a subsidiary of the Company, during the Reporting Period.
Deferred income	43,533,838	33,638,147	29.42	The increase is mainly due to the recognition of unrealized profits of Hanwei Company prior to the acquisition by the Company during the Reporting Period.
Other comprehensive income	1,364,414,885	380,908,923	258.20	The increase is mainly due to the recognition of other comprehensive income by the Company based on the fair value of the equity interest in and its shareholding percentage of Jiangsu Leasing which was listed on the A-share market during the Reporting Period.
Minority interests	3,252,922,046	2,374,646,649	36.99	The increase was mainly due to capital contributions of minority shareholders received by subsidiaries during the Reporting Period, and the recognition of other comprehensive income entitled by minority shareholders based on the fair value of the equity interest in Jiangsu Leasing during the Reporting Period.

III. SIGNIFICANT EVENTS

Reasons for material changes in income statement items during the Reporting Period

Unit: yuan Currency: RMB

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reason of change
Taxes and surcharges	128,824,700	67,127,345	91.91	The year-on-year increase in taxes and surcharges was due to the delivery of the property units of Ninghu Properties (a subsidiary of the Company) during the Reporting Period, the sales revenue from which was mainly generated before the replacement of business tax with value-added tax, and the tax provision made for advance settlement of land appreciation tax.
Selling expenses	19,452,446	9,747,052	99.57	The year-on-year increase in selling expenses was due to the increase in advertising and promotion expenses and increase in commission for property sales agency with regard to the South New City project of Hanwei Company after it was included into the consolidation scope during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reason of change
Gain on changes in fair value	42,263,032	4,357,385	869.92	The main reason was that, according to the Accounting Standard for Business Enterprises No. 22, the Group reclassified its equity investment in limited partnership as other non-current financial assets, resulting in the increase in the fair value thereof.
Investment income	945,289,473	452,716,122	108.80	Mainly due to the year-on-year increase in investment income contributed by the associated companies during the Reporting Period; and the recognition of valuation gain on the difference between the fair value and book value of the equity interests in Hanwei Company held by the Company prior to the acquisition date upon the acquisition of Hanwei Company in accordance with the standards on business combination not under common control.
Gain on disposal of assets	-759,212	-1,609,288	-52.82	Mainly due to the year-on-year decrease in the loss from disposal of assets during the Reporting Period.

III. SIGNIFICANT EVENTS

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reason of change
Non-operating income	10,698,524	3,714,996	187.98	Mainly due to the negative goodwill arising from the acquisition of Hanwei Company during the Reporting Period.
Net amount of other comprehensive income after tax attributable to owners of the Company	983,505,962	-7,970,007	-	The relatively substantial year-on-year increase in the net amount of other comprehensive income after tax attributable to the owners of the Company was mainly due to the substantial increase in fair value of Jiangsu Leasing after its listing on the A-share market during the Reporting Period.
Net amount of other comprehensive income after tax attributable to minority shareholders	146,691,174	0	-	Mainly due to the Company's new recognition of other comprehensive income entitled by the minority shareholders based on the fair value of the equity interest in Jiangsu Leasing during the Reporting Period.

III. SIGNIFICANT EVENTS

Reason for change in cash flow statement items during the Reporting Period

Unit: yuan Currency: RMB

Item	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Increase/decrease (%)	Reason of changes
Net cash flow generated from investment activities	-2,297,930,749	-5,766,691,601	-60.15	The substantial increase in the net cash flow generated from investment activities was mainly due to the year-on-year decrease in external payments for ongoing road and bridge construction projects during the Reporting Period.
Net cash flow generated from financing activities	-1,582,625,192	2,082,345,085	-176.00	The year-on-year decrease in the net cash flow generated from financing activities was mainly due to capital contribution of minority shareholders received by the project companies, and the year-on-year increase in net cash outflow for the repayment of interest-bearing debts by the Company during the Reporting Period.

III. SIGNIFICANT EVENTS

3.2 Analysis of Progress of Significant Events and Their Impact and Solutions

Applicable Not Applicable

1. **Accelerating the progress of new road and bridge construction projects**

During the Reporting Period, the Company advanced the construction of its new road and bridge projects in an active and orderly manner. As at the end of the Reporting Period, Wufengshan Bridge Project had incurred an aggregate investment of approximately RMB5,976 million, representing approximately 49.53% of the total investment of the project; Changyi Expressway Phase I Project had incurred an aggregate investment of approximately RMB1,711 million, representing approximately 45.03% of the total investment of the project; and Yichang Expressway Project had incurred an aggregate investment of approximately RMB1,216 million, representing approximately 30.56% of the total investment of the project.

Zhendan Expressway Project was officially completed and open for traffic on 30 September 2018. Starting from the south Dagang Intersection of Taizhou Bridge in the north and reaching out to the Danyang New District Intersection of Shanghai-Jiangsu Expressway, it is the first newly constructed expressway that is a green, recycling and low-carbon demonstrative innovation project. The completion of the project is of great significance in promoting the development of the riverside areas in Jiangsu and improving the regional expressway network.

2. **Subscribing for the units of private equity fund**

Upon approval by the Board of the Company, Ninghu Investment has accumulatively subscribed for a total of RMB1.2 billion units in CDB Kai Yuan Phase II Fund. As at the end of the Reporting Period, Ninghu Investment has made an aggregate capital contribution of RMB743,024,620.

III. SIGNIFICANT EVENTS

3. Promoting the transformation and upgrading of service areas

In order to promote the overall improvement of economic efficiency and services quality in 6 service areas along Shanghai-Nanjing Expressway, the Company formulated a plan to reform the business models of the service areas. As at the end of this Reporting Period, the upgrading and transformation of Meicun Service Area, Huanglishu Service Area and Xianrenshan Service Area were completed and put into operation; the contracts regarding the outsourcing of operating rights of both of Yangcheng Lake Service Area, Fangmaoshan Service Area were signed in April 2018 and the contract regarding the outsourcing of operating rights of Douzhuang Service Area was signed in September 2018, with a total rental of RMB160,040,000 for 8 years. As such, the signing of the contracts regarding the outsourcing of businesses for all the 6 service areas along Shanghai-Nanjing Expressway has been completed.

3.3 Undertakings not being Fully Performed Timely during the Reporting Period

Applicable Not Applicable

3.4 Warning and Explanation of Reasons in the Forecast of the Possible Aggregate Net Profits from the Beginning of the Year to the End of the Next Reporting Period Becoming a Loss or Significant Changes Compared to the Corresponding Period of the Previous Year

Applicable Not Applicable

Company **Jiangsu Expressway Company Limited**
 Legal representative **Gu Dejun**
 Date 26 October 2018

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
Current Assets:		
Cash and bank balances	629,619,074	269,357,751
Held-for-trading financial assets	526,461,289	38,871,811
Bills and accounts receivable	307,494,717	309,247,630
Including: Bills receivable	3,774,570	2,880,000
Accounts receivable	303,720,147	306,367,630
Prepayments	30,867,660	10,200,712
Other receivables	131,634,070	106,256,683
Including: Interests receivable	453,125	80,231,500
Dividends receivable	85,878,500	4,989,960
Financial assets purchased under agreements to resell	-	-
Inventories	4,026,325,020	3,010,805,685
Non-current assets due within one year	-	300,000,000
Other current assets	93,767,204	557,742,656
Total Current Assets	5,746,169,034	4,602,482,928

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current Assets:		
Loans and advances to customers	—	—
Available-for-sale financial assets	—	2,329,877,191
Long-term equity investments	5,709,924,085	5,123,326,114
Other equity instruments investment	2,789,300,000	—
Other non-current financial assets	940,488,176	—
Investment properties	19,342,506	20,019,608
Fixed assets	1,776,296,613	1,740,197,103
Construction in progress	8,966,900,053	8,294,639,339
Intangible assets	20,554,087,879	19,962,642,227
Long-term deferred expenses	1,118,638	1,069,666
Deferred income tax assets	158,246,642	258,020,384
Other non-current assets	14,207,791	200,216,678
	40,929,912,383	37,930,008,310
Total Non-current Assets	40,929,912,383	37,930,008,310
TOTAL ASSETS	46,676,081,417	42,532,491,238

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Current Liabilities:		
Short-term borrowings	2,110,000,000	3,599,000,000
Bills payable and accounts payable	912,608,025	921,349,151
Receipts in advance	–	840,007,370
Contract liabilities	987,275,690	–
Employee remuneration payable	2,175,848	3,636,736
Taxes payable	209,567,836	275,210,217
Other payables	241,507,838	217,363,761
Including: Interest payable	89,453,322	99,326,055
Dividends payable	104,070,981	81,117,999
Non-current liabilities due within one year	399,704,397	623,841,375
Other current liabilities	2,023,548,139	2,243,200,002
Total Current Liabilities	6,886,387,773	8,723,608,612

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	6,228,238,674	3,874,089,201
Bonds payable	3,977,874,754	3,970,157,835
Expected liabilities	8,010,000	8,010,000
Deferred income	43,533,838	33,638,147
Deferred income tax liabilities	339,836,687	28,056,831
Total Non-current Liabilities	10,597,493,953	7,913,952,014
TOTAL LIABILITIES	17,483,881,726	16,637,560,626

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)		
Paid-up capital (or share capital)	5,037,747,500	5,037,747,500
Capital reserve	10,428,388,235	10,428,388,235
Less: Treasury shares	-	-
Other comprehensive income	1,364,414,885	380,908,923
Surplus reserve	3,273,492,299	3,273,492,299
Retained profits	5,835,234,726	4,399,747,006
Total owners' equity attributable to the parent company	25,939,277,645	23,520,283,963
Minority interests	3,252,922,046	2,374,646,649
TOTAL OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	29,192,199,691	25,894,930,612
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	46,676,081,417	42,532,491,238

Legal representative:
Gu Dejun

Accounting chief :
Sun Xibin

Person-in-charge of the
accounting department:
Ren Zhuohua

IV. APPENDIX

Balance Sheet of the Parent Company

30 September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
Current Assets:		
Cash and bank balances	115,274,901	135,125,679
Held-for-trading financial assets	100,000,000	-
Derivative financial assets	-	-
Bills receivable and accounts receivable	202,327,062	213,001,356
Including: Bills receivable	-	-
Accounts receivable	202,327,062	213,001,356
Prepayments	5,903,851	2,379,548
Other receivables	128,367,844	96,016,166
Including: Interests receivable	23,174,444	82,325,319
Dividends receivable	90,510,601	4,989,960
Inventories	14,011,043	22,502,218
Non-current assets due within one year	-	350,000,000
Other current assets	50,000,000	404,000,000
Total Current Assets	615,884,701	1,223,024,967

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current Assets:		
Debt investment	1,990,000,000	–
Long-term equity investments	15,994,131,955	15,027,677,472
Available-for-sale financial assets	–	1,383,230,000
Other equity instruments investment	1,214,480,000	–
Fixed assets	951,957,527	1,016,202,346
Construction in progress	16,141,586	13,073,662
Intangible assets	10,243,557,863	10,736,032,358
Deferred income tax assets	16,113,712	–
Other non-current assets	632,360,285	2,190,581,936
Total Non-current Assets	31,058,742,928	30,366,797,774
TOTAL ASSETS	31,674,627,629	31,589,822,741

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Current Liabilities:		
Short-term borrowings	3,430,000,000	2,863,000,000
Bills payable and accounts payable	304,825,557	341,840,658
Receipts in advance	-	15,441,862
Contract liabilities	110,578,899	-
Employee remuneration payable	849,479	978,932
Taxes payable	103,875,187	185,938,684
Other payables	173,271,567	173,994,541
Including: Interest payable	59,931,971	76,160,278
Dividends payable	88,979,103	81,117,999
Liabilities classified as held for sale	-	-
Non-current liabilities due within one year	1,704,398	500,841,376
Other current liabilities	2,023,548,139	2,243,200,002
Total Current Liabilities	6,148,653,226	6,325,236,055

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	14,688,674	16,189,201
Bonds payable	3,977,874,754	3,970,157,835
Expected liabilities	8,010,000	8,010,000
Deferred income tax liabilities	-	24,766,288
Other non-current liabilities	-	-
Total Non-current Liabilities	4,000,573,428	4,019,123,324
TOTAL LIABILITIES	10,149,226,654	10,344,359,379

IV. APPENDIX

Items	Balance at the end of the period	Balance at the beginning of the year
OWNERS' EQUITY		
(OR SHAREHOLDERS' EQUITY)		
Paid-up capital (or share capital)	5,037,747,500	5,037,747,500
Capital reserve	7,327,650,327	7,327,650,327
Less: Treasury shares	-	-
Other comprehensive income	514,739,669	362,483,691
Special reserve	-	-
Surplus reserve	2,518,873,750	2,518,873,750
Retained profits	6,126,389,729	5,998,708,094
TOTAL OWNERS' EQUITY		
(OR SHAREHOLDERS' EQUITY)	21,525,400,975	21,245,463,362
TOTAL LIABILITIES AND OWNERS' EQUITY		
(OR SHAREHOLDERS' EQUITY)	31,674,627,629	31,589,822,741

Legal representative:

Gu Dejun

Accounting chief :

Sun Xibin

Person-in-charge of the
accounting department:

Ren Zhuohua

IV. APPENDIX

Consolidated Income Statement

January–September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for the	Amount for the
			period from the beginning of the year to the end of the Reporting Period (January– September)	period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Total operating income	2,499,923,053	2,321,286,397	7,641,702,887	6,990,321,462
Including: Operating income	2,499,923,053	2,321,286,397	7,641,702,887	6,990,321,462
II. Total operating costs	1,228,197,437	1,163,800,433	3,942,271,026	3,580,918,465
Including: Operating costs	1,019,287,471	965,234,623	3,275,660,646	3,037,004,690
Taxes and surcharges	21,429,362	21,908,478	128,824,700	67,127,345
Selling expenses	7,860,157	1,099,793	19,452,446	9,747,052
Administrative expenses	46,375,645	43,539,242	131,875,927	123,337,931
Financial expenses	133,244,802	132,018,297	386,457,307	343,701,447
Including: Interest expenses	118,235,982	129,455,422	357,933,618	337,816,349
Interest income	2,114,370	1,314,870	5,596,174	3,913,412

IV. APPENDIX

Items	Amount for the Reporting Period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January–September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
Add: Other income	518,133	448,620	1,550,944	1,371,104
Investment income (loss is indicated by "-")	214,757,204	161,266,959	945,289,473	452,716,122
Including: Income from investments in associates and joint ventures	176,595,355	152,507,405	461,404,311	370,199,520
Gains from net exposure hedges (loss is indicated by "-")	-	-	-	-
Gains from changes in fair values (loss is indicated by "-")	44,857,499	1,813,505	42,263,032	4,357,385
Gains from disposal of assets (loss is indicated by "-")	-543,707	-30,371	-759,212	-1,609,288
Gains from foreign currencies exchange (loss is indicated by "-")	-	-	-	-
III. Operating profit (loss is indicated by "-")	1,531,314,745	1,320,984,677	4,687,776,098	3,866,238,320
Add: Non-operating income	1,415,955	1,988,799	10,698,524	3,714,996
Less: Non-operating expenses	5,731,535	6,854,313	20,760,660	19,851,883
IV. Total profit (total loss is indicated by "-")	1,526,999,165	1,316,119,163	4,677,713,962	3,850,101,433
Less: Income tax expenses	331,937,259	291,924,567	943,423,993	872,905,878

IV. APPENDIX

Items	Amount for the Reporting Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for the	Amount for the
			period from the beginning of the year to the end of the Reporting Period (January– September)	period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
V. Net profit (net loss is indicated by "-")	1,195,061,906	1,024,194,596	3,734,289,969	2,977,195,555
(I) Classified by continuity of operations				
1. Net profit from continuing operations (net loss is indicated by "-")	1,195,061,906	1,024,194,596	3,734,289,969	2,977,195,555
2. Net profit from discontinued operations (net loss is indicated by "-")	-	-	-	-
(II) Classified by ownership of equity				
1. Net profit attributable to owners of the parent company	1,163,954,555	996,338,534	3,652,096,620	2,895,998,719
2. Minority interests	31,107,351	27,856,062	82,193,349	81,196,836
VI. Other comprehensive income, net of tax	-168,248,282	1,700,908	1,130,197,136	-7,970,007
Other comprehensive income attributable to owners of the parent company, net of tax	-146,135,282	1,700,908	983,505,962	-7,970,007
(I) Other comprehensive income that cannot be reclassified to profit or loss	-92,877,000	-	708,609,984	-
1. Re-measurement of changes in defined benefit plan	-	-	-	-
2. Other comprehensive income that cannot be reclassified into profit or loss under equity method	-	-	-	-

IV. APPENDIX

Items	Amount for the Reporting Period (July- September)	Amount for the corresponding period of the previous year (July- September)	Amount for the	Amount for the
			period from the beginning of the year to the end of the Reporting Period (January- September)	period from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
3. Changes in fair value of other equity instruments investment	-92,877,000	-	708,609,984	-
4. Changes in fair value of the enterprise's own credit risk	-	-	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-53,258,282	1,700,908	274,895,978	-7,970,007
1. Other comprehensive income that can be reclassified to profit or loss under equity method	-53,258,282	1,700,908	274,895,978	-7,970,007
Other comprehensive income attributable to minority shareholders, net of tax	-22,113,000	-	146,691,174	-

IV. APPENDIX

Items	Amount for the Reporting Period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January–September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
VII. Total comprehensive income	1,026,813,624	1,025,895,504	4,864,487,105	2,969,225,548
Total comprehensive income attributable to owners of the parent company	1,017,819,273	998,039,442	4,635,602,582	2,888,028,712
Total comprehensive income attributable to minority shareholders	8,994,351	27,856,062	228,884,523	81,196,836
VIII. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.2310	0.1978	0.7249	0.5749
(2) Diluted earnings per share (RMB/share)	-	-	-	-

Legal representative:

Gu Dejun

Accounting chief :

Sun Xibin

Person-in-charge of the
accounting department:

Ren Zhuohua

IV. APPENDIX

Income Statement of the Parent Company

January–September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Items	Amount for the Reporting Period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January–September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
I. Operating income	1,726,024,198	1,669,704,223	4,849,502,367	4,812,465,648
Less: Operating costs	667,447,338	685,034,825	1,916,799,429	2,036,039,693
Taxes and surcharges	11,817,133	10,738,294	34,478,187	30,689,074
Selling expenses	-	-	-	-
Administrative expenses	34,185,801	32,309,661	93,599,131	89,130,533
Research and development expenses	-	-	-	-
Financial expenses	111,498,724	102,558,769	293,088,871	263,324,286
Including: Interest expenses	95,615,694	100,215,193	276,398,001	257,900,574
Interest income	557,785	561,311	1,785,949	1,466,151
Impairment losses of assets	-	-	-	-
Credit impairment losses	-	-	-	-
Add: Other income	-	-	-	-
Investment income (loss is indicated by "-")	178,509,336	120,519,427	497,410,115	754,712,194
Including: Income from investments in associates and joint ventures	117,581,924	94,369,423	304,042,483	228,956,206
Gains from net exposure hedges (loss is indicated by "-")	-	-	-	-

IV. APPENDIX

Items	Amount for the Reporting Period (July– September)	Amount for the corresponding period of the previous year (July– September)	Amount for the	Amount for the
			period from the beginning of the year to the end of the Reporting Period (January– September)	period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
Gains from changes in fair values (loss is indicated by "-")	-	-	-	-
Gains from disposal of assets (loss is indicated by "-")	-27,314	-11,247	66,408	65,527
II. Operating profit (loss is indicated by "-")	1,079,557,224	959,570,854	3,009,013,272	3,148,059,783
Add: Non-operating income	826,515	1,025,503	827,018	1,341,966
Less: Non-operating expenses	4,733,519	4,556,327	15,523,428	12,877,691
III. Total profit (total loss is indicated by "-")	1,075,650,220	956,040,030	2,994,316,862	3,136,524,058
Less: Income tax expenses	230,517,074	215,417,651	650,026,326	622,307,643
IV. Net profit (net loss is indicated by "-")	845,133,146	740,622,379	2,344,290,536	2,514,216,415
(I) Net profit from continuing operations (net loss is indicated by "-")	845,133,146	740,622,379	2,344,290,536	2,514,216,415
(II) Net profit from discontinued operations (net loss is indicated by "-")	-	-	-	-
V. Other comprehensive income, net of tax	-20,828,282	1,700,908	152,255,978	-7,970,007
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	32,430,000	-	-122,640,000	-
1. Re-measurement of changes in defined benefit plan	-	-	-	-

IV. APPENDIX

Items	Amount for the Reporting Period (July- September)	Amount for the corresponding period of the previous year (July- September)	Amount for the	Amount for the
			period from the beginning of the year to the end of the Reporting Period (January- September)	period from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
2. Other comprehensive income that cannot be reclassified into profit or loss under equity method	-	-	-	-
3. Changes in the fair value of investments in other equity instruments	32,430,000	-	-122,640,000	-
4. Changes in fair value of the enterprise's own credit risk	-	-	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-53,258,282	1,700,908	274,895,978	-7,970,007
1. Other comprehensive income that can be reclassified to profit or loss under equity method	-53,258,282	1,700,908	274,895,978	-7,970,007

IV. APPENDIX

Items	Amount for the Reporting Period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount for the period from the beginning of the year to the end of the Reporting Period (January–September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
VI. Total comprehensive income	824,304,864	742,323,287	2,496,546,514	2,506,246,408
VII. Earnings per share				
(I) Basic earnings per share (RMB/share)	0.1678	0.1470	0.4653	0.4991
(II) Diluted earnings per share (RMB/share)	-	-	-	-

Legal representative:
Gu Dejun

Accounting chief :
Sun Xibin

Person-in-charge of the
accounting department:
Ren Zhuohua

IV. APPENDIX

Consolidated Cash Flow Statement

January–September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	7,572,180,183	7,211,258,174
Other cash receipts relating to operating activities	116,412,438	143,347,178
Subtotal of cash inflows from operating activities	7,688,592,621	7,354,605,352
Cash payments for goods purchased and service received	1,482,078,694	1,660,240,343
Cash payments to and on behalf of employees	627,913,561	567,891,682
Taxes payment	1,210,692,870	1,098,746,602
Other cash payments relating to operating activities	121,878,402	80,730,720
Sub-total of cash outflows from operating activities	3,442,563,527	3,407,609,347
Net cash flows from operating activities	4,246,029,094	3,946,996,005

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	3,993,100,000	3,251,453,747
Cash receipts from investment income	269,311,527	204,119,233
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	57,731,851	394,871,520
Net cash received from disposal of subsidiaries and other business entities	–	–
Other cash receipts relating to investing activities	430,771,364	
Sub-total of cash inflows from investing activities	4,750,914,742	3,850,444,500
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	2,331,689,603	5,933,131,014
Cash payments for investments	4,237,155,888	3,564,005,087
Net increase in pledged loans	–	–
Net cash paid for acquisition of subsidiaries and other business entities	–	–
Other cash payments relating to investing activities	480,000,000	120,000,000
Sub-total of cash outflows from investing activities	7,048,845,491	9,617,136,101
Net cash flows from investing activities	-2,297,930,749	-5,766,691,601

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
III. Cash flows from financing activities:		
Cash received from investors	664,482,752	1,618,445,170
Including: Cash received by subsidiaries from minority shareholders' investment	664,482,752	1,618,445,170
Cash receipts from borrowings	5,667,000,000	6,506,900,000
Cash receipts from issuance of bonds	2,997,489,178	4,995,365,827
Other cash receipts relating to financing activities	–	–
Sub-total of cash inflows from financing activities	9,328,971,930	13,120,710,997
Cash repayments of borrowings	8,226,979,797	8,501,704,918
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,665,141,042	2,527,369,000
Including: Dividends, profits paid to minority shareholders by subsidiaries	–	72,856,987
Other cash payments relating to financing activities	19,476,283	9,291,994
Sub-total of cash outflows from financing activities	10,911,597,122	11,038,365,912
Net cash flows from financing activities	-1,582,625,192	2,082,345,085

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
IV. Effects of changes in foreign exchange rate on cash and cash Equivalents	–	–
V. Net increase in cash and cash equivalents	365,473,153	262,649,489
Add: Opening balance of cash and cash equivalents	262,758,700	194,272,978
VI. Closing balance of cash and cash equivalents	628,231,853	456,922,467

Legal representative:
Gu Dejun

Accounting chief :
Sun Xibin

*Person-in-charge of the
accounting department:*
Ren Zhuohua

IV. APPENDIX

Cash Flow Statement of the Parent Company

January–September 2018

Prepared by: Jiangsu Expressway Company Limited

Unit: yuan Currency: RMB Type of Audit: Unaudited

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	5,136,364,270	5,121,353,668
Tax refunds	–	–
Other cash receipts relating to operating activities	61,674,956	13,397,986
Subtotal of cash inflows from operating activities	5,198,039,226	5,134,751,654
Cash payments for goods purchased and service received	1,148,060,790	1,386,833,133

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
Cash payments to and on behalf of employees	415,513,586	370,694,747
Taxes payment	914,413,753	839,238,993
Other cash payments relating to operating activities	48,862,905	32,181,270
Sub-total of cash outflows from operating activities	<u>2,526,851,034</u>	<u>2,628,948,143</u>
Net cash flows from operating activities	<u><u>2,671,188,192</u></u>	<u><u>2,505,803,511</u></u>

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flows from investing activities:		
Cash receipts from disposals of investments	3,148,000,000	1,754,900,000
Cash receipts from investment income	290,603,467	619,422,420
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	57,719,500	394,963,870
Net cash received from disposal of subsidiaries and other business entities	–	–
Other cash receipts relating to investing activities	369,000,000	100,000,000
Sub-total of cash inflows from investing activities	3,865,322,967	2,869,286,290
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	45,176,653	63,767,927
Cash payments for investments	3,292,019,800	3,907,996,830
Net cash paid for acquisition of subsidiaries and other business entities	–	–
Other cash payments relating to investing activities	530,000,000	120,000,000
Sub-total of cash outflows from investing activities	3,867,196,453	4,091,764,757
Net cash flows from investing activities	-1,873,486	-1,222,478,467

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
III. Cash flows from financing activities:		
Cash received from investors	–	–
Cash receipts from borrowings	4,850,000,000	3,909,000,000
Cash receipts from issuance of bonds	2,997,489,178	4,995,365,827
Other cash receipts relating to financing activities	–	–
Sub-total of cash inflows from financing activities	7,847,489,178	8,904,365,827
Cash repayments of borrowings	7,984,629,797	7,837,704,918
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,545,548,582	2,375,198,856
Other cash payments relating to financing activities	6,476,283	9,291,994
Sub-total of cash outflows from financing activities	10,536,654,662	10,222,195,768
Net cash flows from financing activities	-2,689,165,484	-1,317,829,941

IV. APPENDIX

Item	Amount for the period from the beginning of the year to the end of the Reporting Period (January– September)	Amount for the period from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
IV. Effects of changes in foreign exchange rate on cash and cash Equivalents		
V. Net increase in cash and cash equivalents	-19,850,778	-34,504,897
Add: Opening balance of cash and cash equivalents	135,125,679	98,649,203
VI. Closing balance of cash and cash equivalents	115,274,901	64,144,306

Legal representative:
Gu Dejun

Accounting chief :
Sun Xibin

*Person-in-charge of the
accounting department:*
Ren Zhuohua

IV. APPENDIX

4.2 Auditors' Report

Applicable Not Applicable

Nanjing, the PRC, 26 October 2018

As at the date of this quarterly report, the Directors of the Company are:

Gu Dejun, Sun Xibin, Yao Yongjia, Chen Yanli, Chen Yongbing, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Zhuting, Chen Liang*, Lin Hui*, Zhou Shudong*, Liu Xiaoxing**

* *Independent non-executive directors*