



江蘇寧滬高速公路股份有限公司
Jiangsu Expressway Company Limited



Jiangsu Expressway
The Caring Way

2011 Interim Results

Agenda



- **Business Structure**
- **Financial Highlights**
- **Review of Operations**
- **Outlook**



沪宁高速
HUNING EXPRESS
入口
ENTRANCE

Business Structure



江蘇寧滬高速公路股份有限公司
Jiangsu Expressway Company Limited





Financial Highlights

Financial Highlights



	2011	2010	Change
	Six months ended 30 June		
	(RMB'000)	(RMB'000)	(%)
Total operating revenue	3,642,023	3,268,472	+11.43
Operating profit	1,751,675	1,702,592	+2.88
Gross profit	1,745,318	1,704,145	+2.42
Net profit	1,327,032	1,303,590	+1.80
Attributable to:			
Equity holders of the Company	1,299,491	1,273,253	+2.06
Minority interests	27,541	30,338	-9.22
Earnings per share (Basic)	RMB0.26	RMB0.25	+2.06

* Under CASBE

Financial Highlights (cont'd)



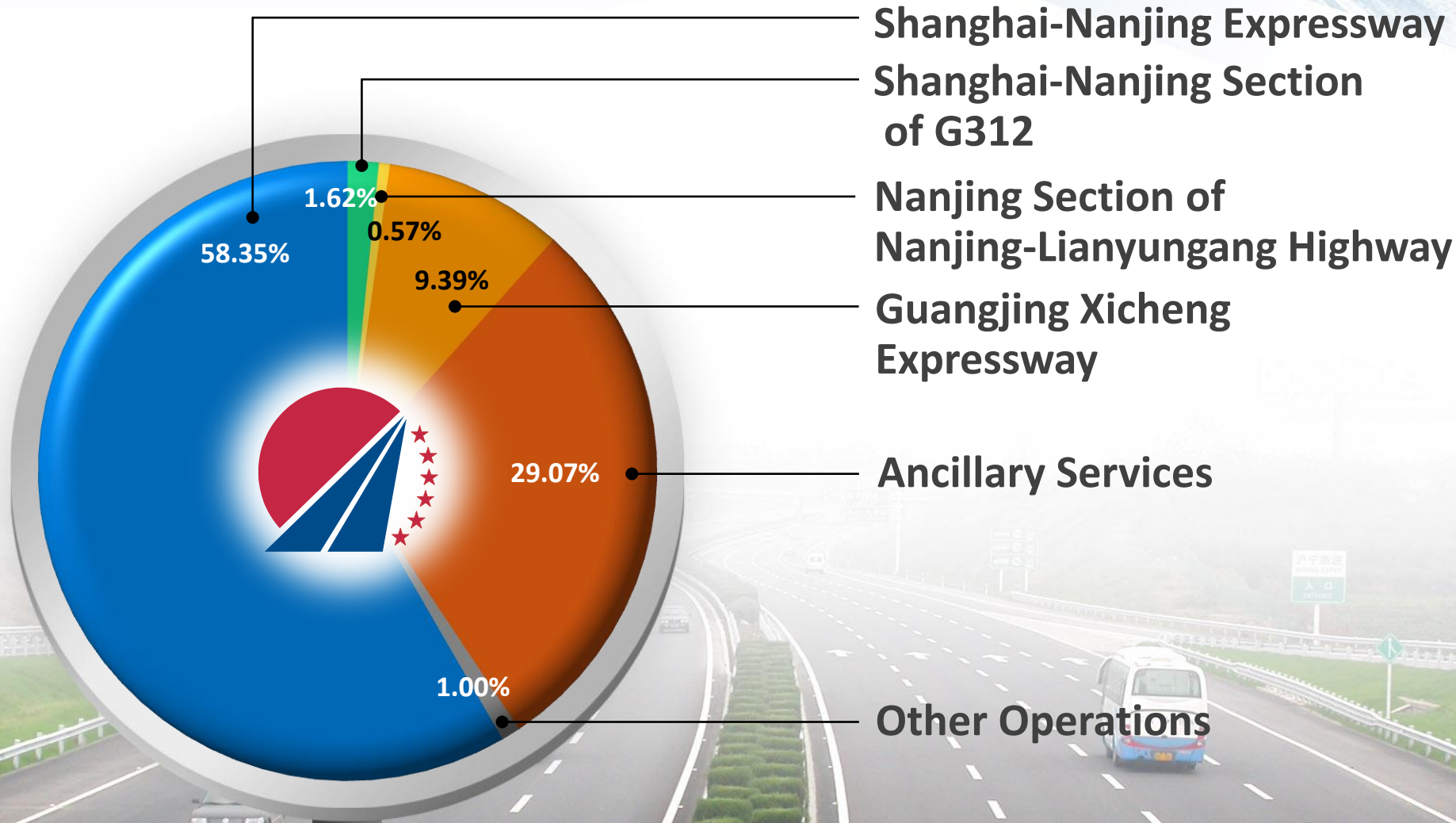
Revenue and Profit (RMB'000)



* The figures in 2007-2010 are under HKFRS and the figures in 2011 are under CASBE. The relevant figures for 2011 are termed as "total operating revenue" and "net profit attributable to equity holders of the listed company".


Revenue Breakdown

Six months ended 30 June



Financial Status of the Group



	As at 30 June 2011	As at 31 Dec 2010	Change
	(RMB'000)	(RMB'000)	(%)
Total assets	24,728,418	24,897,493	-0.68
Total liabilities	7,225,187	6,873,449	+5.12
Owners' equity attributable to equity holders of the Company	17,038,489	17,563,723	-2.99
Gearing ratio	29.22%	27.61%	+1.61

* Under CASBE



Review of Operations

Toll Roads and Bridge Business




- **The pace of growth in the Chinese and regional economies slackened moderately**
→ a mild slowdown in traffic volume growth
- **The growth in traffic volume of trucks slowed notably, while that of passenger vehicles continued to surge relatively fast**
→ a slight change in vehicle mix and a decline in revenue per vehicle
- **Toll revenue amounted to approximately RMB2,546,859,000**
→ an increase of 5.49% year-on-year



Toll Roads and Bridge Business (cont'd)




Road/Bridge

	Average daily traffic volume (vehicle / day)			Average daily toll revenue (RMB'000 / day)		
	Reporting period	Same period of last year	Change	Reporting period	Same period of last year	Change
	(%)			(%)		
 Shanghai-Nanjing Expressway	62,557	55,829	+12.05%	11,741.0	11,131.6	+5.48%
Shanghai-Nanjing Section of G312	19,950	21,252	-6.13%	325.0	334.9	-2.95%
Nanjing Section of Nanjing- Lianyungang Highway	4,955	5,700	-13.07%	115.5	132.9	-13.11%
Guangjing Expressway	43,603	37,232	+17.11%	681.4	596.7	+14.19%
Xicheng Expressway	46,318	38,901	+19.07%	1,208.1	1,143.2	+5.68%
Jiangyin Yangtze Bridge	51,874	43,829	+18.36%	2,241.7	2,083.9	+7.57%
Sujiahang Expressway	37,996	32,516	+16.85%	2,539.9	2,359.9	+7.63%

Operating Performance Review



Items

	Operating revenue		Operating cost	
	Reporting period	Change YOY	Reporting period	Change YOY
	(RMB'000)	(%)	(RMB'000)	(%)
Toll road operations	2,546,859	+5.49	640,950	+11.51
Shanghai-Nanjing Expressway	2,125,128	+5.48	418,529	+10.66
Shanghai-Nanjing Section of G312	58,827	-2.95	120,396	+5.10
Nanjing Section of Nanjing- Lianyungang Highway	20,900	-13.11	9,439	-15.47
Guangjing Xicheng Expressways	342,004	+8.60	92,586	+30.69
Ancillary services	1,058,673	+35.09	1,023,985	+35.99
Other operations	36,491	-48.14	16,069	-51.76
Total	3,642,023	+11.43	1,681,004	+23.50

Shanghai-Nanjing Expressway



- Average daily toll revenue: RMB11,741,000 (+5.48%)
- Average daily traffic volume: 62,557 vehicles (+12.05%)
- Traffic volume of trucks: +2.64%
- Traffic volume of passenger vehicles : +16.39%
- Volume increase mainly came from passenger vehicles:



	Ratio of traffic volume		Ratio of toll revenue	
	1H 2011	1H 2010	1H 2011	1H 2010
Passenger vehicles	71.1%	68.4%	46%	46.2%
Trucks	28.9%	31.6%	54%	53.8%

Average daily full-trip revenue per vehicle: RMB187.7 (-5.87%)

Revenue waived due to "Green Passage": RMB37,523,000 (-43.6%)

Shanghai-Nanjing Section of G312



- While traffic volume and toll revenue continued to drop, the drop rates have slowed significantly
- Average daily traffic volume: 19,950 vehicles (-6.13%)
- Average daily toll revenue: RMB325,000 (-2.95%)



Nanjing Section of Nanjing-Lianyungang Highway







- **Average daily traffic volume:
4,955 (-13.07%)**
- **Average daily toll revenue:
RMB115,500 (-13.11%)**



Guangjing Xicheng Expressways Jiangyin Yangtze Bridge



	Average daily traffic volume	Average daily toll revenue
 <p data-bbox="517 525 774 632">Guangjing Expressway</p>	<p data-bbox="973 525 1193 639">43,603 (+17.11%)</p>	<p data-bbox="1464 525 1734 639">RMB681,400 (+14.19%)</p>
 <p data-bbox="517 815 774 922">Xicheng Expressway</p>	<p data-bbox="973 815 1193 929">46,318 (+19.07%)</p>	<p data-bbox="1441 815 1754 929">RMB1,208,100 (+5.68%)</p>
 <p data-bbox="556 1075 736 1239">Jiangyin Yangtze Bridge</p>	<p data-bbox="973 1103 1193 1218">51,874 (+18.36%)</p>	<p data-bbox="1441 1103 1754 1218">RMB2,241,700 (+7.57%)</p>

Sujiahang Expressway



- Average daily traffic volume: 37,996 vehicles (+16.85%)
- Average daily toll revenue: RMB2,539,900 (+7.63%)



Ancillary Services



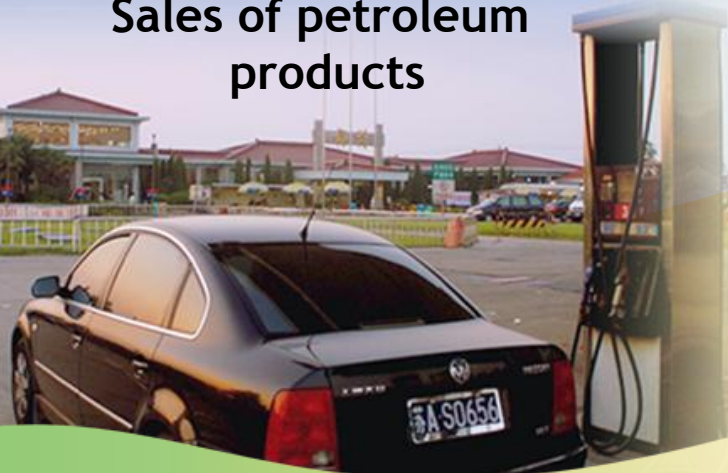
● Ancillary services revenue: RMB1,058,673,000 (+35.09%)

● Increase in traffic volume +
increase in prices of refined
petroleum products



Increase in sales revenue of
petroleum products

Sales of petroleum
products



RMB996,521,000 (+38.30%)

Catering and retailing



RMB92,152,000 (+8.64%)

Other Businesses



- Income from other business operations:
RMB36,491,000 (-48.14%)
- Ninghu Investment (95% stake)
 - Jiangsu Provincial Government staged a major campaign for rectifying advertising facilities
→ Business is anticipated to decline sharply for the whole year
 - Sales of Kunshan real estate project have been basically completed to date

Advertising



RMB20,647,000 (-11.15%)

Property business



RMB13,792,000 (-69.65%)

Other Businesses (cont'd)



● Ninghu Properties (100% stake)

Currently at the stage of project development and commencement, pre-sale of some projects has commenced:

- “One City•Hongqiao Mansion”
on Lot C4 in Huaqiao Kunshan
 - Formally offered for pre-sale on 14 January
 - As at 30 June, 85% of residential sales were completed
- “One City•Pujiang Building”
on Lot C7 in Huaqiao Kunshan
 - Construction commenced in 1H 2011
- Hotel project on Lot C5 in Huaqiao Kunshan
 - Construction proposal has been submitted to the Planning Bureau for examination and approval
 - Engaged an internationally renowned hotel group as the management company for the hotel
- “Qingyuan” project in Suzhou
 - Construction commenced on a full scale, pre-sales launched in 2H
- Land lot at Hongyan Community, Jurong City
 - Application for the planning scheme was filed in 1H, currently embarking on related pre-development works




Investment Income



- Total investment income realized: RMB102,121,000 (-21.54%)
- Investment income contributed by associates: RMB100,130,000 (-10.99%), contributing 7.55% of the Company's net profit

Company name

	Net Profit	Contribution of investment income	Proportion to net profit of the Company
	(RMB'000)	(RMB'000)	(%)
Suzhou Sujiahang Expressway Co., Ltd	168,421	56,135	4.23
Jiangsu Kuailu Motor Transport Co., Ltd	7,637	1,643	0.12
Jiangsu Yangtze Bridge Co., Ltd	163,304	43,537	3.28

Financing Activities



Adjusting liabilities structure

Adopting pro-active financing arrangements

Reducing financial costs

Short-term bank loans
Long-term loans due within one year

RMB2,255,000,000

RMB1,301,255,000

Long-term bank loans

RMB2,576,456,000

Unused credit facility

RMB5,955,000,000

Consolidated borrowing costs

4.87% (+0.06p.pt. YOY)

Financial costs

RMB143,179,000 (-21.76 % YOY)

Investments



- **Invested in the construction of the Kunshan-Wujiang section of the Changshu-Jiaxing Expressway**
 - 28.435km
 - Scheduled for commencement within 2011 and completion by 2014
- **Total investment amounts to RMB3.894 billion. 30% of the capital contributed by the Company. Total investment no more than RMB500 million. Return on the project is preliminarily estimated at approximately 9.14%**
- **Distinct geographical advantages with good investment value**
 - Connecting Sutong Yangtze River Bridge and Hangzhou Bay Sea-Crossing Bridge
 - Runs parallel with the southern section of Sujiahang Expressway, able to relieve traffic congestion of that section.





Outlook



Operating environment in 2H 2011

- **The competitive landscape of the Group's toll roads will remain generally stable**
- **Since its operation in June, Beijing-Shanghai High-speed Railway has not caused substantial traffic diversions from our expressways**
- **Economic growth is likely to further slacken moderately**
 - Slackening growth in traffic demand
- **Monetary tightening leads to rising financing costs**
 - Exerting pressure on the Company's cost of capital and creating an impact on the Company's profits
- **"Notice for Carrying out a Special Rectification Project for Toll Roads"**
 - Imposing certain policy risks



Major Work Areas

Carry out the rectification project for toll roads according to the relevant requirements of the five ministries and commissions and the Jiangsu Provincial Government and reasonably safeguard the legitimate interests of the Company and shareholders.

Focus on formulating the “12th Five-year” development plan; innovate, transform and upgrade the Company’s business model; and determine our strategic objectives for a long-term, sustainable development of the Company.

Carry out development work on existing property projects according to plan; assess accurately the relevant government policies and appropriately expand our land bank so as to grow our property business.

Strive to enhance cost control capability; continue to push forward enhancement of the internal control system; create a good management environment for the Company’s long-term development.



Thank you!